

Message from the Chairman and the President

It is our pleasure to welcome you, the shareholders of Mabuhay Holdings Corporation, to this 2026 Annual General Meeting.

Regrettably, we have to start our annual message by saying that 2026 has so far not been a good year for the international community in general and for the Philippines in particular. The war between Russia and Ukraine has shown no sign of resolution. The devastating bombardment of Gaza has caused much destruction and casualties. Then the war that the United States and Israel initiated in February this year against Iran resulted in the closure of the Strait of Hormuz where almost 20% of the global supply of fuel passes every day, inflicting the worst crisis to the world economy in decades. Unavoidably, fuel prices skyrocketed, causing serious upheavals to the global economy. We do not have any clue as to when the Middle East tension will ease. For the meantime, the whole world will continue to suffer serious shortages of fuel supply, which will result in exorbitant prices of many basic commodities. This situation will undoubtedly bring economic depression and uncontrollable inflation to countries, with the developing nations being the worst-hit.

The Philippines is not spared from the international economic and financial chaos. We were the first nation to declare an emergency energy crisis. With the shortage of fuel supply and other commodities such as fertilizer and food items, the industrial and agricultural sectors of our country have been gravely affected, prejudicing the livelihood of our people. The Middle East War is jeopardizing the employment of our Overseas Workers who are deployed in that region and on board the vessels around the world. The GDP of our country is expected to tumble as the tension in the Gulf continues.

Aside from the chaotic global situation, our local political instability also has adversely impacted our economic growth. The grave corruption issues, the political maneuvering in the impeachment cases, and the dramatic changes in the leadership of our legislative bodies, have created instability and scared foreign investors. Our local entrepreneurs are watching the political climate closely before expanding their business undertakings. Unemployment and inflation rates are high; the Philippine peso has depreciated to a historical low. We can only hope for the disputes among the world powers to subside, and for domestic political reforms to take place, so that our situation will stabilize.

As for our company, we look forward to a better year in 2026 as we pursue our affordable housing project in Lipa City of Batangas which has been going smoothly, despite the unfavorable economic atmosphere. The demand for affordable housing among our compatriots from the middle and lower income classes remains strong. We plan to start the marketing of our house units before the end of the third quarter of this year.

With regard to the legal cases involving our subsidiary company, Tagaytay Property and Holdings Corporation, we are still awaiting the final decision of the Regional Trial Court for the cancellation of the Homestead Patents of the illegal settlers. The court had already ruled in our favor earlier and ordered the court sheriff to demolish all the illegal buildings on our land. However, an illegal settler whose house was demolished, but whose name was not included in the original case we filed for ejectment since he bought the “right to reside” after the filing of the case, has filed a case against us and the sheriff for indemnity. He lost his case in the Trial Court, but has appealed the decision to the Court of Appeals. It is frustrating that the court cases against the people who occupied our land illegally had taken so long to be resolved.

Once again, the Directors and the Management Team of Mabuhay Holdings Corporation would like to express our sincere gratitude for your trust and support throughout all these years.

Atty. Roberto V. San Jose
Chairman

Esteban G. Peña Sy
President