

**KAISER INTERNATIONAL HEALTHGROUP, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023  
*IN PHILIPPINE PESO***





Reference No : 462500065386973  
Date Filed : April 15, 2025 03:36 PM  
Batch Number : 0






Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue


For BIR  
Use Only: BCS/  
Item:

<b>BIR Form No.</b> <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/20YY) 12/2024		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	
		5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input type="checkbox"/> IC010 <input checked="" type="checkbox"/>			
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 232 - 191 - 988 - 000				7 RDO Code 049	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) KAISER INTERNATIONAL HEALTHGROUP INC.					
9A Registered Address (Indicate complete registered address) GROUND FLOOR OMNIS PROSPERITY TOWER 377 SEN GIL PUYAT AVENUE BEL-AIR CITY OF MAKATI					
9B Zipcode 1209					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 8112327			12 Email Address maricel@kaiserhealthgroup.com		
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
<b>Part II - Total Tax Payable (Do NOT enter Centavos)</b>					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				6,513,987	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				22,569,778	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(16,055,791)	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(16,055,791)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorized signature and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative			MR. LOUIS BARTOLOME STEIN BORJA		22 Number of Attachments
Title of Signatory			Signature over printed name of Treasurer/Assistant Treasurer		4
<b>Part III - Details of Payment</b>					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
<b>Taxpayer Identification Number (TIN)</b> 232    -191    -988    -000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.
<b>Part IV - Computation of Tax</b> (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		857,342,267
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		857,342,267
30 Less: Cost of Sales/Services		759,695,930
31 Gross Income from Operation (Item 29 Less Item 30)		97,646,337
32 Add: Other Taxable Income Not Subjected to Final Tax		1,168,132
33 Total Taxable Income (Sum of Items 31 and 32)		98,814,469
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	72,758,522	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	72,758,522	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	26,055,947	
40 Applicable Income Tax Rate	25 %	
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	6,513,987	
42 MCIT Due (2% of Item 33)	1,976,289	
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)	6,513,987	
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	8,589,069	
45 Income Tax Payment under MCIT from Previous Quarter/s	5,471,216	
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	8,509,493	
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0	
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0	
50 Foreign Tax Credits, if applicable	0	
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0	
52 Special Tax Credits (To Part V Item 58)	0	
Other Credits/Payments (Specify)		
53	0	
54	0	
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)	22,569,778	
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) ) (To Part II Item 16)	(16,055,791)	
<b>Part V - Tax Relief Availment</b>		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)	0	
58 Add: Special Tax Credits (From Part IV Item 52)	0	
59 Total Tax Relief Availment (Sum of Items 57 and 58)	0	

BIR Form No. <b>1702-RT</b> January 2018(ENC5) Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENC5 P3
<b>Taxpayer Identification Number (TIN)</b> 232 - 191 - 988 - 000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.
<b>Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		0
4 Depletion		0
5 Depreciation		6,890,997
6 Entertainment, Amusement and Recreation		2,624,350
7 Fringe Benefits		0
8 Interest		2,553,935
9 Losses		0
10 Pension Trust		0
11 Rental		0
12 Research and Development		0
13 Salaries, Wages and Allowances		33,600,475
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		3,027,362
15 Taxes and Licenses		2,797,860
16 Transportation and Travel		2,736,702
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary]		
a Janitorial and Messengerial Services		809,350
b Professional Fees		3,190,688
c Security Services		0
d ADVERTISING AND PROMOTION		2,221,032
e COMMUNICATION LIGHT AND WATER		2,169,668
f INSURANCE		286,831
g OFFICE SUPPLIES		3,554,689
h REPAIRS AND MAINTENANCE		100,385
i OTHERS		6,194,198
		
i.1 DUES AND SUBSCRIPTION		2,977,826
i.2 UNPAID CLAIMS		1,009,457
i.3 BANK CHARGES		1,507,388
i.4 MISCELLANEOUS EXPENSE		699,527
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34)		72,758,522
<b>Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
		
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)		0



BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
<b>Taxpayer Identification Number (TIN)</b> 232 - 191 - 988 - 000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4	0	0
5	0	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [ E = A Less (B + C + D) ]
4	0	0
5	0	0
6	0	0
7	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [ G = C Less (D + E + F) ]
1	0	0	0
2	0	0	0
3	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	33,227,117
Add: Non-deductible Expenses/Taxable Other Income	
2 PENALTIES AND FINES	3,593,558
3 OTHERS	7,210,418
<div style="border: 1px solid black; padding: 2px;">             3.1 UNALLOWABLE INTEREST EXPENSE <span style="float: right;">630,884</span> </div> <div style="border: 1px solid black; padding: 2px;">             3.2 INTEREST ON LEASE <span style="float: right;">207,834</span> </div> <div style="border: 1px solid black; padding: 2px;">             3.3 ROUA DEPRECIATION <span style="float: right;">5,532,488</span> </div> <div style="border: 1px solid black; padding: 2px;">             3.4 RETIREMENT LIABILITY <span style="float: right;">753,889</span> </div> <div style="border: 1px solid black; padding: 2px;">             3.5 BAD DEBTS <span style="float: right;">85,323</span> </div>	
4 Total (Sum of Items 1 to 3)	44,031,093
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECT TO FINAL TAX	2,523,537
6 OTHERS	15,451,609
<div style="border: 1px solid black; padding: 2px;">             6.1 DIVIDEND INCOME <span style="float: right;">8,743,849</span> </div> <div style="border: 1px solid black; padding: 2px;">             6.2 INTEREST ON SECURITY DEPOSIT <span style="float: right;">113,300</span> </div> <div style="border: 1px solid black; padding: 2px;">             6.3 LEASE PAYMENT <span style="float: right;">5,585,003</span> </div> <div style="border: 1px solid black; padding: 2px;">             6.4 UNPAID CLAIMS <span style="float: right;">1,009,457</span> </div>	
B) Special Deductions	
7	0

<b>9 Total (Sum of Items 5 to 8)</b>	<b>17,975,146</b>
<b>10 Net Taxable Income/(Loss) (Item 4 Less Item 9)</b>	<b>26,055,947</b>



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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

**FILING REFERENCE NO.**

TIN	: 232-191-988-000
Name	: KAISER INTERNATIONAL HEALTHGROUP INC.
RDO	: 049
Form Type	: 1702
Reference No.	: <b>462500065386973</b>
Amount Payable (Over Remittance)	: -16,055,791.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/15/2025
Tax Type	: IT

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Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

<b>BIR Form No.</b> <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/20YY) 12/2024		3 Amended Return? <input type="radio"/> Yes <input type="radio"/> No 4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input type="checkbox"/> IC010 <input checked="" type="checkbox"/> DOMESTIC CORPORATION IN GENERAL <input type="checkbox"/>	
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 232 - 191 - 988 - 000		7 RDO Code 049			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) KAISER INTERNATIONAL HEALTHGROUP INC.					
9A Registered Address (Indicate complete registered address) GROUND FLOOR OMNIS PROSPERITY TOWER 377 SEN GIL PUYAT AVENUE BEL-AIR CITY OF MAKATI					
9B Zipcode 1209					
10 Date of Incorporation/Organization (MM/DD/YYYY)				06/08/2004	
11 Contact Number 8112327		12 Email Address maricel@kaiserhealthgroup.com			
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
<b>Part II - Total Tax Payable (Do NOT enter Centavos)</b>					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				6,513,987	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				14,060,286	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(7,546,299)	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(7,546,299)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, also attach this declaration and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative		MR. LOUIS BARTOLOME STEIN BORJA		22 Number of Attachments	
Title of Signatory		Title of Signatory		4	
<b>Part III - Details of Payment</b>					
Particulars		Drawee Bank/Agency		Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)					
Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)					

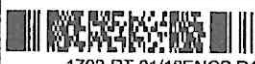


BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to <b>REGULAR Income Tax Rate</b>	 1702-RT 01/18ENCS P2
<b>Taxpayer Identification Number (TIN)</b> 232    191    988    000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.
<b>Part IV - Computation of Tax</b> <span style="float: right;">(Do NOT enter Centavos)</span>		
27 Sales/Receipts/Revenues/Fees		857,342,267
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		857,342,267
30 Less: Cost of Sales/Services		759,695,930
31 Gross Income from Operation (Item 29 Less Item 30)		97,646,337
32 Add: Other Taxable Income Not Subjected to Final Tax		1,168,132
33 Total Taxable Income (Sum of Items 31 and 32)		98,814,469
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	72,758,522	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	72,758,522	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)		26,055,947
40 Applicable Income Tax Rate		25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		6,513,987
42 MCIT Due (2% of Item 33)		1,976,289
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)		6,513,987
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		8,589,069
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		5,471,217
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits (To Part V Item 58)		0
Other Credits/Payments (Specify)		
53		0
54		0
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		14,060,286
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(7,546,299)
<b>Part V - Tax Relief Availment</b>		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
<b>Taxpayer Identification Number (TIN)</b> 232 - 191 - 988 - 000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)	
1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	6,890,997
6 Entertainment, Amusement and Recreation	2,624,350
7 Fringe Benefits	0
8 Interest	2,553,935
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	0
13 Salaries, Wages and Allowances	33,600,475
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	3,027,362
15 Taxes and Licenses	2,797,860
16 Transportation and Travel	2,736,702
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary]	
a Janitorial and Messengerial Services	809,350
b Professional Fees	3,190,688
c Security Services	0
d ADVERTISING AND PROMOTION	2,221,032
e COMMUNICATION LIGHT AND WATER	2,169,668
f INSURANCE	286,831
g OFFICE SUPPLIES	3,554,689
h REPAIRS AND MAINTENANCE	100,385
i OTHERS	6,194,198
i.1 DUES AND SUBSCRIPTION	2,977,826
i.2 UNPAID CLAIMS	1,009,457
i.3 BANK CHARGES	1,507,388
i.4 MISCELLANEOUS EXPENSE	699,527
<b>18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)</b>	<b>72,758,522</b>

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
<b>5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)</b>		<b>0</b>

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
<b>Taxpayer Identification Number (TIN)</b> 232 - 191 - 988 - 000		<b>Registered Name</b> KAISER INTERNATIONAL HEALTHGROUP INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4	0	0
5	0	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [ E = A Less (B + C + D) ]
4 0	0	0
5 0	0	0
6 0	0	0
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [ G = C Less (D + E + F) ]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	33,227,117
Add: Non-deductible Expenses/Taxable Other Income	
2 PENALTIES AND FINES	3,593,558
3 OTHERS	7,210,418
<div style="border: 1px solid black; padding: 2px;">           3.1 UNALLOWABLE INTEREST EXPENSE 630,884            3.2 INTEREST ON LEASE 207,834            3.3 ROUA DEPRECIATION 5,532,488            3.4 RETIREMENT LIABILITY 753,889            3.5 BAD DEBTS 85,323         </div>	
4 Total (Sum of Items 1 to 3)	44,031,093
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECT TO FINAL TAX	2,523,537
6 OTHERS	15,451,609
<div style="border: 1px solid black; padding: 2px;">           B) Special Deductions         </div>	
7	0
8	0
9 Total (Sum of Items 5 to 8)	



Bureau of Internal Revenue  
Republic of the Philippines

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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**

**FILING REFERENCE NO.**

TIN	: 232-191-988-000
Name	: KAISER INTERNATIONAL HEALTHGROUP INC.
RDO	: 049
Form Type	: 1702
Reference No.	: 462500065642753
Amount Payable (Over Remittance)	: -7,546,299.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/29/2025
Tax Type	: IT

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Ruby Maderal &lt;acctgsupervisor@kaiserhealthgroup.com&gt;

---

**Fwd: Your BIR AFS eSubmission uploads were received**

1 message

---

Maricel Caraig <maricel@kaiserhealthgroup.com>

Fri, May 2, 2025 at 5:50 PM

To: Ruby Maderal &lt;acctgsupervisor@kaiserhealthgroup.com&gt;

Sincerely yours,

----- Forwarded message -----

From: &lt;eafs@bir.gov.ph&gt;

Date: Fri, May 2, 2025 at 5:48 PM

Subject: Your BIR AFS eSubmission uploads were received

To: &lt;MARICEL@kaiserhealthgroup.com&gt;

CC: &lt;MARICEL@kaiserhealthgroup.com&gt;

Hi KAISER INTERNATIONAL HEALTHGROUP INC,

**Valid files**

- EAFS232191988AFSTY122024.pdf
- EAFS232191988ITRTY122024.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-4X4NR4WN08E5F9ABHQXQQ1P430NSZSZSRM**Submission Date/Time: **May 02, 2025 05:47 PM**Company TIN: **232-191-988**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.




**File Upload**



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Transaction Code:  
**AFS-0-4X4NR4WN08E5F9ABHQXQQ1P430NSZSZSRM**

Submission Date/Time:  
**May 02, 2025 05:47 PM**

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**SURETA AND ASSOCIATE, CPAs**  
CERTIFIED PUBLIC ACCOUNTANTS

---

April 15, 2025

**The Stockholders and the Board of Directors**  
**KAISER INTERNATIONAL HEALTHGROUP, INC.**  
Ground Floor Omnis Prosperity Tower  
377 Gil Puyat Avenue, Bgy. Bel-Air  
Makati City, 1209

Dear Sirs/Madam,

Forwarding herewith are Six (6) Sets of the Audit Report for the year December 31, 2024 dated April 15, 2025 of:

**KAISER INTERNATIONAL HEALTHGROUP, INC.**

Kindly acknowledged receipt hereof.

Thank you,

SURETA & ASSOCIATE, CPAs

  
**ESTER P. CLARETE**  
Partner

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

C	S	2	0	0	4	0	8	7	3	9
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A	A	F	S
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C	R	M	D
---	---	---	---

	N	A	
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COMPANY INFORMATION

maricel@kaiserhealthgroup.com

**02-8811-1878**

N/A
-----

8

2<sup>nd</sup> Monday of January

December 31

CONTACT PERSON INFORMATION

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MARICEL CARAIG	maricel@kaiserhealthgroup.com	02-8811-1878	9178630088

**MARICEL CARAIG**

maricel@kaiserhealthgroup.com

02-8811-1878

9178630088

CONTACT PERSON'S ADDRESS

GROUND FLOOR OMNIS PROSPERITY TOWER 377 SEN. GIL PUYAT AVE., MAKATI CITY

**NOTE1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



**SURETA AND ASSOCIATE, CPAs**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**REPORT OF INDEPENDENT AUDITORS**

**The Stockholders and the Board of Directors**  
**KAISER INTERNATIONAL HEALTHGROUP, INC.**  
Ground Floor Omnis Prosperity Tower  
377 Gil Puyat Avenue, Bgy. Bel-Air  
Makati City, 1209

Report of the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAISER INTERNATIONAL HEALTHGROUP, INC.**, which comprise the statement of financial position as at December 31, 2024 and 2023, and the statement of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **KAISER INTERNATIONAL HEALTHGROUP, INC.**, as at December 31, 2024 and 2023 and its financial performance and its cash flows, for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error. In preparing the financial statements management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, on the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- \* Conclude on the appropriateness of management's use of the going concern basis in accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

Report on the Supplementary Information Required under Revenue regulation 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and licenses fees in one of the Notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**SURETA & ASSOCIATE, CPAs**

  
**ESTER P. CLARETE**

**Partner**

Certified Public Accountant

Board Certificate No. 51131

PTR No. 5278707 Malabon City

January 9, 2025

TIN: 116-241-169

BIR AN: 05-002844-001-2024

Valid from January 12, 2024 to 2027

IC Acc. No. IC-EA-2024-0003-N

BOA AN: 9634 until June 7, 2026

April 15, 2025

Malabon City



**SURETA AND ASSOCIATE, CPAs**  
**CERTIFIED PUBLIC ACCOUNTANTS**

---

**SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR ON THE NUMBER  
OF SHAREHOLDERS**

**The Stockholders and the Board of Directors**  
**KAISER INTERNATIONAL HEALTHGROUP, INC.**  
Ground Floor Omnis Prosperity Tower  
377 Gil Puyat Avenue, Bgy. Bel-Air  
Makati City, 1209

We have audited the financial statements of Kaiser International Healthgroup, Inc., for the year ended December 31, 2024, on which we have rendered the attached report dated April 15, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has eight (8) stockholders owning 100 or more shares.

**SURETA & ASSOCIATE, CPAs**

*Esther P. Clarete*  
**ESTHER P. CLARETE**  
**Partner**

Certified Public Accountant  
Board Certificate No. 51131  
PTR No. 5278707 Malabon City  
January 9, 2025  
TIN: 116-241-169  
BIR AN: 05-002844-001-2024  
Valid from January 12, 2024 to 2027  
IC Acc. No. IC-EA-2024-0003-N  
BOA AN: 9634 until June 7, 2026  
April 15, 2025  
Malabon City





**SURETA AND ASSOCIATE, CPAs**  
**CERTIFIED PUBLIC ACCOUNTANTS**

---

**Independent Auditor's Report  
To Accompany Income Tax Return**

**KAISER INTERNATIONAL HEALTHGROUP, INC.**

Ground Floor Omnis Prosperity Tower  
377 Gil Puyat Avenue, Bgy. Bel-Air  
Makati City, 1209

We have audited the financial statements of Kaiser International Healthgroup, Inc., for the calendar year December 31, 2024, on which we have rendered the attached report dated April 15, 2025.

In compliance with Revenue Regulations V-20, we are stating the following:

The taxes paid or accrued by the above Company for the calendar year December 31, 2024 are shown in the Schedule of Taxes and Licenses attached to the Annual Income Tax Return.

That I am not related by consanguinity or affinity to the stockholders of the Company.

**SURETA & ASSOCIATE, CPAs**

*Esther P. Clarete*  
**ESTER P. CLARETE**  
**Partner**

Certified Public Accountant  
Board Certificate No. 51131  
PTR No. 5278707 Malabon City  
January 9, 2025  
TIN: 116-241-169  
BIR AN: 05-002844-001-2024  
Valid from January 12, 2024 to 2027  
IC Acc. No. IC-EA-2024-0003-N  
BOA AN: 9634 until June 7, 2026  
April 15, 2025  
Malabon City



**SURETA AND ASSOCIATE, CPAs**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**REPORT OF INDEPENDENT AUDITORS**

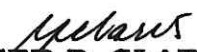
**The Stockholders and the Board of Directors**  
**KAISER INTERNATIONAL HEALTHGROUP, INC.**

Ground Floor Omnis Prosperity Tower  
377 Gil Puyat Avenue, Bgy. Bel-Air  
Makati City, 1209

We have audited the financial statements of **KAISER INTERNATIONAL HEALTHGROUP, INC.**, as of and for the years ended December 31, 2024 and 2023, on which we have rendered the attached report dated April 15, 2025.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown in **Annex A** (Reconciliation of Retained Earnings) **Annex B** (List of Effective Standards and Interpretation) is presented for purposes of filing with the Securities and Exchange Commission in accordance with SRC Rule 68 and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

**SURETA & ASSOCIATE, CPAs**

  
**ESTER P. CLARETE**  
**Partner**

Certified Public Accountant  
Board Certificate No. 51131  
PTR No. 5278707 Malabon City  
January 9, 2025  
TIN: 116-241-169  
BIR AN: 05-002844-001-2024  
Valid from January 12, 2024 to 2027  
IC Acc. No. IC-EA-2024-0003-N  
BOA AN: 9634 until June 7, 2026  
April 15, 2025  
Malabon City



April 14, 2025

The Securities and Exchange Commission  
7907 Makati Avenue, Salcedo Village  
Bel-Air, Makati City

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

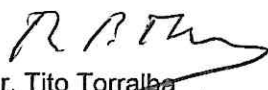
The management of **Kaiser International Healthgroup, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of and for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

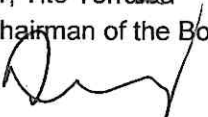
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

Sureta and Associate, CPAs, the independent auditor, appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
Dr. Tito Torralba  
Chairman of the Board

  
Dra. Leah Uy-Yolo  
President & Medical Director

  
Mr. Louis Bartolome Stein Borja  
Treasurer





April 14, 2025


The Bureau of Internal Revenue

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN**

The Management of **Kaiser International Healthgroup, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of *Kaiser International Healthgroup, Inc.* complete and correct in all material respects. Management likewise affirms that:

- (a.) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b.) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the parent company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c.) the Kaiser International Healthgroup, Inc. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
Dr. Tito Torralba  
Chairman of the Board

  
Dra. Leah Uy-Yolo  
President & Medical Director

  
Mr. Louis Bartolome Stein Borja  
Treasurer

KAISER INTERNATIONAL HEALTHGROUP, INC.

FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023  
*IN PHILIPPINE PESO*



**KAISER INTERNATIONAL HEALTHGROUP, INC.**
**STATEMENTS OF FINANCIAL POSITION**
**DECEMBER 31, 2024 AND 2023**
*(Amounts in Philippine Peso)*

	Note	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5	P577,267,840	P406,195,285
Short-term investments	6	14,290,405	13,856,146
Receivables	7	4,776,795	5,104,022
Financial assets at fair value through other comprehensive income (FVOCI)	9	1,531,095,554	1,429,654,317
Due from affiliates	13	118,409,428	22,230,306
Prepaid expenses and other current assets	8	17,608,596	20,600,791
<b>Total Current Assets</b>		<b>2,263,448,618</b>	<b>1,897,640,867</b>
<b>Noncurrent Assets</b>			
Property and equipment - net	10	6,550,073	981,837
Investment properties	11	147,852,083	147,852,083
Right of use asset - net	21	16,776,641	4,007,338
Security deposit	21	2,150,977	2,037,676
Deferred tax asset	20	6,394,363	3,186,735
<b>Total Noncurrent Assets</b>		<b>179,724,137</b>	<b>158,065,669</b>
		<b>P2,443,172,755</b>	<b>P2,055,706,536</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	P61,562,286	P13,682,070
Reserved liability to planholders	14	1,828,186,614	1,554,189,110
Due to affiliates	13	9,392,735	13,186,260
Loans payable	15	5,531,397	6,806,593
Lease liabilities	21	5,570,558	3,966,000
<b>Total Current Liabilities</b>		<b>1,910,243,590</b>	<b>1,591,830,033</b>
<b>Noncurrent Liabilities</b>			
Reserved liability to planholders	14	386,243,020	348,156,294
Loans payable	15	21,715,806	27,314,510
Lease liabilities	21	11,320,064	-
Retirement liability	16	9,098,926	5,989,114
<b>Total Noncurrent Liabilities</b>		<b>428,377,816</b>	<b>381,459,918</b>
		<b>2,338,621,406</b>	<b>1,973,289,951</b>
<b>Equity</b>			
Capital stock - P1 par value			
Authorized - 160,000,000 shares			
Issued and subscribed - 68,240,000 shares			
net of subscriptions receivable of P15,000,000	24	53,240,000	53,240,000
Cumulative fair value loss on financial asset at FVOCI	9	(8,016,104)	(5,258,067)
Cumulative remeasurement loss	16	(3,735,036)	(1,968,094)
Retained earnings	24	63,062,489	36,402,746
<b>Total Equity</b>		<b>104,551,349</b>	<b>82,416,585</b>
		<b>P2,443,172,755</b>	<b>P2,055,706,536</b>

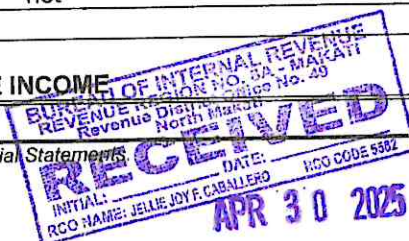
See accompanying Notes to Financial Statements.

\*There were no movements in the number of Company's authorized and subscribed shares as at December 31, 2024 and 2023.

**KAISER INTERNATIONAL HEALTHGROUP, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Peso)*

	Notes	2024	2023
<b>SERVICE REVENUES</b>	17	<b>P857,342,267</b>	<b>P398,926,629</b>
<b>COST OF SERVICES</b>	18	<b>759,695,930</b>	<b>330,612,339</b>
<b>GROSS PROFIT</b>		<b>97,646,337</b>	<b>68,314,290</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	19	<b>72,067,998</b>	<b>60,709,938</b>
<b>INCOME FROM OPERATIONS</b>		<b>25,578,339</b>	<b>7,604,352</b>
<b>OTHER INCOME (CHARGES) – Net</b>			
Dividend income	9	8,743,849	4,379,989
Interest expense on loans	15	(2,777,805)	(2,957,418)
Interest income on deposits and short-term investment	5, 6	2,523,538	938,361
Bank charges		(1,507,388)	(701,397)
		(407,014)	–
Interest expense on penalty	21	(207,834)	(169,344)
Interest expense on lease liabilities	21	113,300	178,384
Interest income on security deposit		1,168,132	1,842,011
Others		7,648,778	3,510,586
<b>INCOME BEFORE INCOME TAX</b>		<b>33,227,117</b>	<b>11,114,938</b>
<b>PROVISION FOR INCOME TAX</b>	20		
Current		6,513,987	1,954,555
Deferred		53,387	(590,135)
		6,567,374	1,364,420
<b>NET INCOME</b>		<b>26,659,743</b>	<b>9,750,518</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Not reclassifiable subsequently to profit or loss</i>			
Fair value loss on financial asset at FVOCI	9	(5,430,071)	(111,627)
Remeasurement gain (loss) on retirement benefits	16	(2,355,923)	(1,629,137)
		(7,785,994)	(1,740,764)
Deferred income tax benefit – net	20	3,261,015	407,284
		(4,524,979)	(1,333,480)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P22,134,764</b>	<b>P8,417,038</b>

See accompanying Notes to Financial Statements



**KAISER INTERNATIONAL HEALTHGROUP, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Peso)*

	Note	2024	2023
<b>CAPITAL STOCK – ₱1 par value</b>	24	<b>₱53,240,000</b>	<b>₱53,240,000</b>
<b>CUMULATIVE REMEASUREMENT LOSS – Net</b>			
Balance at beginning of year		(1,968,094)	(746,241)
Remeasurement gain (loss) during the year	16	(1,766,942)	(1,221,853)
Balance at end of year		(3,735,036)	(1,968,094)
<b>CUMULATIVE FAIR VALUE LOSS ON FINANCIAL ASSET AT FVOCI – Net</b>			
Balance at beginning of year		(5,258,067)	(5,146,440)
Fair value gain (loss) during the year	9	(2,758,037)	(111,627)
Balance at end of year		(8,016,104)	(5,258,067)
<b>RETAINED EARNINGS</b>			
Balance at beginning of year		36,402,746	26,652,228
Net income during the year		26,659,743	9,750,518
Balance at end of year		63,062,489	36,402,746
		<b>₱104,551,349</b>	<b>₱82,416,585</b>

**KAISER INTERNATIONAL HEALTHGROUP, INC.****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023***(Amounts in Philippine Peso)*

	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		<b>₱33,227,117</b>	<b>₱11,114,938</b>
Adjustments for:			
Dividend income	9	<b>(8,743,849)</b>	<b>(4,379,989)</b>
Depreciation and amortization	10, 19	<b>6,838,482</b>	<b>6,831,600</b>
Interest expense on loans	15, 19	<b>2,777,805</b>	<b>2,957,418</b>
Interest income	5, 6	<b>(2,523,538)</b>	<b>(938,361)</b>
Provision for retirement expense	16	<b>753,889</b>	<b>510,554</b>
Interest expense on lease liability	21	<b>207,834</b>	<b>169,344</b>
Interest income – security deposit	21	<b>(113,300)</b>	<b>(178,384)</b>
Provision for expected credit loss	7	<b>85,323</b>	<b>71,462</b>
Income before working capital changes		<b>32,509,763</b>	<b>16,158,582</b>
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	7	<b>241,904</b>	<b>(280,508)</b>
Prepaid expenses and other current assets	8	<b>1,949,425</b>	<b>(928,308)</b>
Increase in:			
Trade and other payables	12	<b>56,389,709</b>	<b>1,547,109</b>
Reserved liability to planholders	14	<b>312,084,230</b>	<b>177,654,948</b>
Cash generated from operations		<b>403,175,031</b>	<b>194,151,823</b>
Income tax paid	20	<b>(13,980,710)</b>	<b>(5,532,853)</b>
Dividends received	9	<b>8,743,849</b>	<b>4,379,989</b>
Interest paid	15	<b>(2,777,805)</b>	<b>(2,957,418)</b>
Interest received	5, 6	<b>2,523,538</b>	<b>938,361</b>
Net cash provided by operating activities		<b>397,683,903</b>	<b>190,979,902</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Collections from affiliates	14	<b>(96,179,122)</b>	<b>11,212,901</b>
Decrease (increase) in:			
Financial asset at FVOCI	9	<b>(106,871,308)</b>	<b>(195,566,834)</b>
Short-term investment	6	<b>(434,259)</b>	<b>(433,832)</b>
Security deposit	21	<b>–</b>	<b>42,433</b>
Additions to property and equipment	10	<b>(6,874,230)</b>	<b>(225,000)</b>
Net cash used in investing activities		<b>(210,358,919)</b>	<b>(184,970,332)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Loans	15	<b>(6,873,900)</b>	<b>(6,993,311)</b>
Lease liability	21	<b>(5,585,003)</b>	<b>(5,343,192)</b>
Due to affiliates	13	<b>(3,793,525)</b>	<b>(3,045,912)</b>
Net cash used in financing activities		<b>(16,252,428)</b>	<b>(15,382,415)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>171,072,555</b>	<b>(9,372,845)</b>
<b>CASH AT BEGINNING OF YEAR</b>	5	<b>406,195,285</b>	<b>415,568,130</b>
<b>CASH AT END OF YEAR</b>	5	<b>₱577,267,840</b>	<b>₱406,195,285</b>



## **KAISER INTERNATIONAL HEALTHGROUP, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

*(Amounts in Philippine Peso)*

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#### **1. Corporate Information and Business Operations**

Kaiser International Healthgroup, Inc. (the "Company") was incorporated in the Philippines on June 8, 2004 with Securities and Exchange Commission (SEC). Its primary purpose is to operate as a healthcare provider and as a broker for other healthcare companies. The Company is regulated by the Insurance Commission (IC) and was granted clearance to operate on January 28, 2016.

The Company's principal place of business is at G/F King's Court 1 Bldg., Chino Roces Avenue, Makati City.

The accompanying financial statements as at and for the years ended December 31, 2024 and 2023 was authorized and approved for issue by the Board of Directors (BOD) on \_\_\_\_\_, 2025.

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#### **2. Statement of Compliance**

The financial statements are presented in Philippine Pesos, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

The accompanying financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards includes statements named PFRS and Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by SEC.

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#### **3. Summary of Material Accounting Policy Information**

The accounting policies adopted by the Company are consistent with those of the previous financial years except for the applicable amended accounting standards that became effective in the current year.

The principal accounting and financial reporting policies adopted in preparing the financial statements of the Company are summarized below and in the succeeding pages. The policies have been consistently applied to all years presented unless otherwise stated.

##### Financial Assets and Liabilities

The Company recognizes a financial asset or liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way to purchase or sale of financial assets, recognition and derecognition, as applicable, is done using the settlement date accounting.



Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value [either through other comprehensive income (OCI) or through profit or loss], and
- Those to be measured at amortized cost.

*Financial assets at fair value through other comprehensive income (FVOCI)*

Financial assets at FVOCI comprise:

- Equity instruments  
Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to be recognized in this category. These are strategic investments and the Company considers this classification to be more relevant.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company classifies its investment in shares of stocks as financial asset at FVOCI as at December 31, 2024 and 2023 (see Note 9).

The Company has no financial assets at FVPL as at December 31, 2024 and 2023.

*Financial assets at amortized cost*

The amortized cost of a financial asset is the present value of future cash receipts discounted at the effective interest rate. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

This classification includes the Company's cash in banks (Note 5), short-term investments (Note 6), receivables (Note 7), security deposits (Note 21) and due from affiliates (Note 13) as at December 31, 2024 and 2023.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Subsequent measurement of financial assets

- Debt instruments  
There are three measurement categories into which the Company classifies its debt instruments:
  - *Amortized cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income.

Short-term receivables with no stated interest rate are measured at their invoice amounts or expected amounts of settlement without discounting, when the effect of not discounting is immaterial.

- *FVOCI*: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as separate line item in profit or loss.
- *FVPL*: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains (losses) in the period in which it arises.

*Impairment of financial assets*

The Company recognizes an expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based in the difference between the contractual cash flows due in accordance with the contract and all the cash flows of that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For cash in banks, receivables other than trade, short-term investments, security deposits and due from affiliates, the Company applies the general approach in calculating ECLs. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash in banks and due from related parties since initial recognition.

For trade receivables, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Financial liabilities at amortized cost*

The financial liabilities are initially recorded at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using effective interest method. These include liabilities arising from operations and borrowings. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains and losses on derecognition is also recognized in profit or loss.

As at December 31, 2024 and 2023, this classification includes the Company's trade and other payables (except government payables) (Note 12), due to affiliates (Note 13) and loans payable (Note 15).

### Derecognition of Financial Instruments

#### Financial assets

A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire, (2) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or (3) the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in statements of comprehensive income.

#### Prepaid Expenses

Prepaid expenses are costs which are paid in advance before actually incurring them. Prepaid expenses are initially recorded at actual amount paid for expenses and subsequently amortized and recognized as expense in profit or loss as the benefits of the payments are received by the Company. Prepaid expense that will subsequently be charged to related expense within the next year is classified as current assets. Thus, amount which will be applied beyond the following year is under noncurrent assets.

#### Creditable Withholding Tax (CWT)

Creditable withholding tax is recognized for income taxes withheld by customers and is deducted from income tax payable. The balance at each end of the reporting date represents the unutilized amount after deducting any income tax payable. CWT is initially recognized at actual amount withheld and subsequently stated at its realizable value.

#### Property and Equipment

Property and equipment are initially recorded at cost and subsequently stated at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization commence once the assets are available for use and is computed on a straight-line method over the following estimated useful lives of the property and equipment, except for leasehold improvement, which are amortized over their estimated useful lives or term of the lease, whichever is shorter.

	Number of years
Transportation equipment	5
Office equipment	5
Leasehold improvements	5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

### Investment Property

Investment property is property held to earn rental or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business. Investment property is measured initially at cost, including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable costs such as legal and brokerage fees, property transfer taxes and other transaction costs. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments. Investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value at each reporting date with changes in fair value recognized in profit or loss. Where there is clear evidence that the fair value of an investment property is not reliably determinable on a continuing basis, the cost model shall be used. As at December 31, 2024 and 2023, the Company's investment property is measured at fair value.

Investment property is derecognized when these are disposed of or when the investment property is permanently withdrawn from use and there is no future economic benefit expected to arise from the continued use of the property. Any gain or loss on the retirement or disposal of said property is recognized in profit or loss in the year of retirement or disposal.

### Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the company and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

### Equity

- *Capital stock* is measured at par value for all shares subscribed and paid, or issued.
- *Retained earnings* represent the cumulative balance of net profit or loss and any dividend distribution.
- *Cumulative fair value gain (loss) on financial asset at FVOCI* on financial asset at FVOCI are recognized immediately in other comprehensive income in equity in the period in which they arise and cannot be reclassified to profit or loss in subsequent periods.
- *Cumulative remeasurement gain (loss)* comprises the net actuarial gains and losses on the Company's retirement obligation as a result of remeasurement.

### Revenue Recognition

The Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognized:

- *Sale of services.* Revenue is recognized based on billings to customers upon completion of the jobs.
- *Dividend income.* Income is recognized when stockholder's right to receive the payment is established.
- *Interest income.* Interest income is recognized using the effective interest method on a time proportion basis that reflects the effective yield on the assets.
- *Commission and other income.* Other revenues are recognized as these accrue.

#### Value Added Tax (VAT)

Revenues, if any, expenses and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority such as the case of exempt transaction, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the cost and expense item, as applicable.

#### Cost and Expense Recognition

Direct costs or cost of services is recognized in the statements of comprehensive income upon utilization of the service or at the date they are incurred. Operating and other expenses include expenses related to administering and operating the business and are expensed upon utilization of the service or at the date they are incurred. Interest and similar expenses are reported on accrual basis.

#### Employee Benefits

*Short-term benefits* are recognized as expense in the period when the economic benefits are given. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments.

#### *Retirement benefits costs*

The Company's retirement benefit cost is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in other comprehensive income in the period in which they occur. Remeasurement is not reclassified to statement of comprehensive income. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Retirement benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlement)
- Net interest expense or income
- Remeasurement on the retirement obligation or asset

The current service cost is a level annual amount or a fixed percentage of salary which, when invested at the rate of interest assumed in the actuarial valuation, is sufficient to provide the required retirement benefit at the employee's retirement.

Remeasurements which comprises actuarial gains and losses, difference between the return on plan assets and interest income (calculated as part of net interest) and any change in the effect of the asset ceiling, (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income (loss) in the period in which they arise. Remeasurements are not reclassified to profit and loss in the subsequent period.

Actuarial gains and losses are changes in the present value of the retirement benefit obligation resulting from experience adjustments and the effects of changes in actuarial assumptions. Actuarial gains and losses are immediately recognized in other comprehensive income.

The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation and as reduced by the fair value of plan assets. Any assets resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.



### Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the asset. If the Company has the right to control the use of an identified asset only for a portion of the term of the contract, the contract contains a lease for that portion of the term.

#### *Company as a lessee*

The Company recognized ROU assets and a lease liability on the statements of financial position.

#### *Initial and subsequent measurement of ROU asset*

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The ROU assets are recognized at the present value of the lease liabilities adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statements of financial position.

Subsequently, ROU assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liability. ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. Otherwise, the Company will depreciate the ROU asset from the commencement date to the earlier of the end of the useful life of each ROU asset or the end of lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### *Initial and subsequent measurement of lease liabilities*

Lease liabilities are measured at the present value of remaining lease payments at the date of adoption, discounted using the interest rate implicit to the lease, if that rate can be readily determined. Otherwise, the Company's incremental borrowing rate.

Lease liabilities are subsequently measured at amortized cost. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### Income Taxes

Income taxes represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the year. Taxable income differs from income as reported in the statements of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of the financial reporting period. Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the end of financial reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured using the tax rate that is expected to apply to the period when the asset is realized or the liability is settled.

The carrying amount of deferred tax assets is reviewed at each end of financial reporting period and reduced to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

#### Events After End of Financial Reporting Period

Post year-end events that provide additional information about the Company's position at the end of financial reporting period, if any, are reflected in the financial statements. However, post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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#### **4. Management's Use of Judgments and Estimates**

The preparation of the Company's financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In preparing the Company's financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following is a summary of these significant judgments and estimates and the related impact and accounted risks on the financial statements:

##### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

- *Assessment of Classification of Financial Instruments and Measurement Criteria*  
The Company classifies financial assets at initial recognition depending on the financial assets contractual cash flows characteristics of the Company's business model for managing them.  
  
The Company determines the classification at initial recognition and reevaluates this designation at every reporting date.
- *Classification of Lease as Operating and Finance Leases*  
The Company has entered into various lease agreements as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by determining if the contract conveys a right to control the use of an identified asset. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the asset. If the Company has the right to control the use of an identified asset only for a portion of the term of the contract, the contract contains a lease for that portion of the term. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

For long-term lease (more than one year), the Company recognized the right-of-use asset and lease liability measured at the present value of lease payments to be made over the lease term using the Company's incremental borrowing rate.

The Company recognized ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Company's incremental borrowing rate on the lease contracts accounted as finance lease.

#### *Determination of Lease Term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases office spaces, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- *Identification of Contract with Customers under PFRS 15*

The Company enters into a contract with customer through an approved written contract with specific details such as quantity, price, contract terms and their specific obligations are clearly identified. In addition, part of the assessment process of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the products that will be transferred to the customer.

- *Identifying Performance Obligations*

The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customers and the Company's promise to transfer the good or service to the customer is separately identifiable.

The performance obligation of the Company is satisfied overtime as the customer simultaneously receives and consumes all of the benefits provided by the Company as the Company performs.

#### Estimates

- *Estimation of Allowance for Impairment of Financial Assets*

The Company applies general approach for determining the expected credit losses of cash in banks, short-term investments, nontrade receivables, due from affiliates and security deposit. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates. In addition, management's assessment of the credit risk on the financial assets as at the reporting date is low.

For trade receivables, the Company applies the simplified approach in calculating ECLs. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Management assessed the credit risk of the trade receivables as at the reporting date as low, therefore the Company did not have to assess whether a significant increase in credit risk has occurred.

Allowance for impairment amounted to ₱907,433 and ₱822,110 as at December 31, 2024 and 2023, respectively (see Note 7).

- *Estimation of Useful Lives of ROU Assets and Property and Equipment*

The useful life of each of the Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A reduction on the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets.

The carrying value of depreciable property and equipment and ROU asset as at December 31, 2024 and 2023 amounted to ₱20.9 million and ₱5.0 million, respectively (see Notes 10 and 21).

- *Estimation of Realizability of Deferred Tax Assets*

The carrying amount of deferred tax assets is reviewed at the end of each financial reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management expects future operations will generate sufficient taxable profit that will allow all or part of the deferred income tax assets to be utilized.

Deferred tax asset recognized in the Company's financial statements amounted to ₱6.4 million and ₱3.2 million as at December 31, 2024 and 2023, respectively (see Note 20).

*Estimation of Retirement Benefits Costs*

The determination of the Company's obligation and cost for pension and other retirement benefits is dependent on management's selection of certain assumptions in calculating such amounts. The assumptions for pension costs and other retirement benefits are described in Note 17 and include among others, rates of compensation increase. Actual results that differ from assumptions are accumulated and amortized over future periods and therefore, generally affect the Company's recognized expense and recorded obligation in such future periods. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Company's pension and other retirement obligations.

The Company's estimated retirement benefit liability amounted to ₱9.0 million and ₱6.0 million as at December 31, 2024 and 2023, respectively (see Note 16).

## 5. Cash

This account consists of:

	2024	2023
Cash in banks	₱577,227,840	₱406,155,285
Petty cash fund	40,000	40,000
	<b>₱577,267,840</b>	<b>₱406,195,285</b>

Cash in banks generally earn interest income based on the effective bank deposit rates of less than 1% annually. Interest income earned on cash in banks, net of final tax, amounted to ₱1,970,494 in 2024 and ₱487,149 in 2023.

## 6. Short-term Investments

In compliance with the amended circular issued by the Insurance Commission (IC) for the Security Deposit Requirement on Health Maintenance Organizations, the Company invested in government securities. The carrying amount of these investments amounted to ₱14,290,405 and ₱13,856,146 as at December 31, 2024 and 2023, respectively. The investment earns interest ranging from 1.4% to 5.4%. Interest income earned amounted to ₱553,044 in 2024 and ₱451,212 in 2023.

Rollforward analysis of this account follows:

	2024	2023
Balance at beginning of year	₱13,856,146	₱13,422,314
Additions during the year	13,871,215	13,420,620
Matured during the year	(13,990,000)	(13,438,000)
Interest earned during the year	553,044	451,212
Balance at end of year	<b>₱14,290,405</b>	<b>₱13,856,146</b>

## 7. Receivables

This account consists of:

	2024	2023
Trade	₱5,684,228	₱5,926,132
Less: Expected credit loss	907,433	822,110
	<b>₱4,776,795</b>	<b>₱5,104,022</b>

Work forward analysis of allowance for expected credit loss follows:

	2024	2023
Balance at the beginning of the year	₱822,110	₱750,648
Provision for expected credit loss (Note 21)	85,323	71,462
Balance at end of the year	<b>₱907,433</b>	<b>₱822,110</b>

Trade receivables are noninterest-bearing and are generally collected within terms ranging from 30 to 90 days. Trade receivables as at December 31, 2022 amounted to ₱4.9 million.

All of the Company's receivables are noninterest bearing and are not pledged to any of the Company's liabilities.



## 8. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding tax (Note 19)	₱7,546,299	₱8,589,069
Deposit to healthcare providers	8,865,000	9,865,000
Office and marketing materials	1,197,297	2,146,722
	<b>₱17,608,596</b>	<b>₱20,600,791</b>

Deposit to healthcare providers are cash given to partner hospitals as a security to its clients' outstanding hospital bills which are yet to be paid.

Prepaid expenses pertain to unutilized purchases of office supplies and marketing materials such as fliers and brochures which are charged to expense upon consumption.

## 9. Financial Assets at FVOCI

The Company's financial assets at FVOCI consist of investment in mutual funds and equity shares which consist of the following:

	2024	2023
Listed shares of stock	₱583,604,674	₱566,585,853
Mutual funds	947,490,880	863,068,464
Total	<b>₱1,531,095,554</b>	<b>₱1,429,654,317</b>

The rollforward analysis of this account follows:

	2024	2023
Balance at beginning of year	₱1,429,654,317	₱1,234,199,110
Additions during the year	106,871,308	195,566,834
Decrease in fair value during the year	(5,430,071)	(111,627)
Balance at end of year	<b>₱1,531,095,554</b>	<b>₱1,429,654,317</b>

Rollforward analysis of fair value of this investment, which is shown as "Cumulative fair value loss on financial asset at FVOCI" in the equity section of the statements of financial position, is shown below:

	2024	2023
Balance at beginning of year	(₱5,258,067)	(₱5,146,440)
Increase (decrease) in fair value during the year (net of deferred income tax)	(2,758,037)	(111,627)
Balance at end of year	<b>(₱8,016,104)</b>	<b>(₱5,258,067)</b>

Dividend income earned from financial assets at FVOCI amounted to ₱8,743,849 in 2024 and ₱4,379,989 in 2023.

## 10. Property and Equipment – Net

The rollforward analysis of this account follows:

	2024			
	Transportation equipment	Office equipment	Leasehold improvements	Total
Cost:				
Balance at beginning of year	₱14,677,595	₱8,119,366	₱3,300,167	₱26,097,128
Additions during the year	–	857,114	6,017,116	6,874,230
Balance at end of year	14,677,595	8,976,480	9,317,283	32,971,358
Accumulated depreciation and amortization:				
Balance at beginning of year	14,544,193	7,482,646	3,088,452	25,115,291
Depreciation and amortization (Note 19)	133,402	581,441	591,151	1,305,994
Balance at end of year	14,677,595	8,064,087	3,679,603	26,421,285
Net carrying value	–	912,393	5,637,680	6,550,073

	2023			
	Transportation equipment	Office equipment	Leasehold improvements	Total
Cost:				
Balance at beginning of year	₱14,677,595	₱8,119,366	₱3,075,167	₱25,872,128
Additions during the year	–	–	225,000	225,000
Balance at end of year	14,677,595	8,119,366	3,300,167	26,097,128
Accumulated depreciation and amortization:				
Balance at beginning of year	14,390,639	6,802,766	2,433,404	23,626,809
Depreciation and amortization (Note 18)	153,554	679,880	655,048	1,488,482
Balance at end of year	14,544,193	7,482,646	3,088,452	25,115,291
Net carrying value	133,402	636,720	211,715	981,837

The cost of fully depreciated assets which are still in use in operations amounted to ₱24,679,390 and ₱20,391,430 as at December 31, 2024 and 2023, respectively.

Management believes that there were no indications of impairment in the value of its property and equipment as at December 31, 2024 and 2023.

There was no contractual commitment to purchase property and equipment. There were no property and equipment pledged as collateral for any of the Company's debt.

## 11. Investment Properties

Investment properties pertain to various condominium units acquired for investment purposes. Fair value of investment properties amounted to ₱147.9 million as at December 31, 2024 and 2023.

Cost incurred in maintaining the investment properties for utilities and association dues amounting to ₱1,680,576 in 2024 and ₱921,530 in 2023 were included under "Communication, light and water" and "Membership dues" (Note 19).

There were no additions, disposals and adjustment for impairment as at December 31, 2024 and 2023. There was also no income generated from investment properties as at December 31, 2024 and 2023.

There was no contractual commitment to purchase, construct, or develop investment property or for repairs, maintenance or enhancements. There were no investment properties pledged as collateral for any of the Company's debt.

## 12. Trade and Other Payables

	2024	2023
Output VAT	<b>₱44,772,503</b>	₱2,792,512
Government payables	<b>8,541,646</b>	1,207,760
Unpaid claims	<b>4,736,498</b>	5,745,955
Due to planholders	<b>2,913,212</b>	3,269,534
Accrued expenses	<b>598,427</b>	666,309
	<b>₱61,562,286</b>	₱13,682,070

Unpaid claims refer to the claims incurred but not yet paid.

Due to planholders pertain to pending premiums of planholders with incomplete requirements.

Government payables include government remittances for withholding taxes and Social Security System (SSS), Philhealth and Home Development Mutual Fund (HDMF) contribution and loan payables.

## 13. Related Party Transactions

The Company has the following transactions with its affiliates:

- Provides medical services to the employees of its affiliates. These are noninterest-bearing and unsecured advances.
- Extends to and avails from affiliates noninterest-bearing and unsecured advances for working capital and investment purposes. Receivables amounted to ₱118.4 million and ₱22.2 million as at December 31, 2024 and 2023, respectively, and payables amounted to ₱9.4 million and ₱13.2 million as at December 31, 2024 and 2023, respectively.
- Rollforward analysis of due to/from affiliates is as follows:

	2024	2023
Due from:		
Balance at beginning of year	<b>₱22,230,306</b>	₱33,443,207
Additions during the year	<b>96,179,122</b>	—
Collections during the year	—	(11,212,901)
Balance at end of year	<b>₱118,409,428</b>	₱22,230,306
Due to:		
Balance at beginning of year	<b>₱13,186,260</b>	₱16,232,172
Payments made during the year	<b>(3,793,525)</b>	(3,045,912)
Balance at end of year	<b>₱9,392,735</b>	₱13,186,260

d. Columnar presentation of the Company's transactions with its affiliates are as follows:

2024				
Category	Transaction amount	Balance – Asset/ (Liability)	Terms and conditions/ settlement	Guaranty/Provision
Affiliates				
1. Receivables Advances		₱118,409,428	collectible on demand;	Unsecured; no
• Collection	₱–		noninterest – bearing; to be	Impairment; no
• Advances	96,179,122		settled in cash	commitments
2. Payables Advances		(9,392,735)	collectible on demand;	Unsecured; no
• Payment	(3,793,525)		noninterest – bearing; to be	commitments
			settled in cash	
2023				
Category	Transaction amount	Balance – Asset/ (Liability)	Terms and conditions/ settlement	Guaranty/Provision
Affiliates				
1. Receivables Advances		₱22,230,306	collectible on demand;	Unsecured; no
• Collection	(₱11,212,901)		noninterest – bearing; to be	Impairment; no
			settled in cash	commitments
2. Payables Advances		(13,186,260)	collectible on demand;	Unsecured; no
• Payment	(3,045,912)		noninterest – bearing; to be	commitments
			settled in cash	

The Company and its affiliates have common shareholders.

e. Compensation to the Company's key management personnel follows:

	2024	2023
Salaries and wages	₱5,063,161	₱5,531,996
13 <sup>th</sup> month pay and other bonuses	416,496	429,197
	<b>₱5,479,657</b>	<b>₱5,961,193</b>

f. There are no other significant related party transactions in 2024 and 2023.

#### 14. Reserved Liability to Planholders

This account pertains to the actuarial reserves for subsequent medical availments and maturity benefits value by planholders. It consists of the liabilities for all benefits stipulated in the contract which are provided directly by the Company. This is computed based on the valuation standards for Health Maintenance Organization (HMO) Agreement liabilities prescribed by the Insurance Commission.

Total amount is presented as follows:

	2024	2023
Current portion	₱1,828,186,614	₱1,554,189,110
Noncurrent portion	386,243,020	348,156,294
	<b>₱2,214,429,634</b>	<b>₱1,902,345,404</b>

## 15. Loans Payable

- On November 18, 2009, the Company availed a loan from a local bank which amounted to ₱11,492,530 due after fifteen (15) years. The loan bears fixed interest rate of 7.5% for the first year and subject for repricing thereafter based on prevailing interest rate. Payments made pertaining to this loan in 2024 and 2023 amounted to ₱1,183,489 and ₱1,185,134, respectively. Accordingly, the loan was fully paid in 2024.
- Another loan was availed which amounted to ₱7,995,029 with a term of ten (10) years beginning July 8, 2014. The loan bears interest of 6.88%. Payments made pertaining to this loan in 2024 and 2023 amounted ₱565,910 and ₱1,060,184, respectively. Accordingly, the loan was fully paid in 2024.
- On January 12, 2015, the Company availed another loan from a local bank which amounted to ₱24,762,720 due after fifteen (15) years. The loan bears fixed interest rate of 6.5% for the first year and subject for repricing thereafter based on prevailing interest rate. Payments made pertaining to this loan in 2024 and 2023 amounted to ₱1,759,289 and ₱1,610,326, respectively. Outstanding balance as at December 31, 2024 and 2023 amounted to ₱11,567,321 and ₱13,326,610, respectively.
- Another loan was availed which amounted to ₱4,356,165 with a term of fifteen (15) years beginning February 28, 2016. The loan bears interest of 6.5%. Payments made pertaining to this loan in 2024 and 2023 amounted to ₱339,261 and ₱319,076, respectively. Outstanding balance as at December 31, 2024 and 2023 amounted to ₱1,539,774 and ₱1,879,035, respectively.
- On June 6, 2017, the Company availed another loan from a local bank which amounted to ₱17,464,000 with a term of ten (10) years. The loan bears interest of 6.75%. Payments made pertaining to this loan in 2024 and 2023 amounted to ₱1,879,439 and ₱1,744,044, respectively. Outstanding balance as at December 31, 2024 and 2023 amounted to ₱5,995,769 and ₱7,875,208, respectively.
- Another loan was availed which amounted on ₱16,319,023 with a term of fifteen (15) years beginning June 30, 2017. The loan bears interest of 6.5%. Payments made pertaining to this loan in 2024 and 2023 amounted to ₱1,146,512 and ₱1,074,548, respectively. Outstanding balance as at December 31, 2024 and 2023 amounted to ₱8,144,339 and ₱9,290,851, respectively.

Rollforward of loans payable are as follow:

	2024	2023
Balance at beginning of year	₱34,121,103	₱41,114,414
Payments during the year	(6,873,900)	(6,993,311)
Balance at end of year	27,247,203	34,121,103
Less: Noncurrent portion	21,715,806	27,314,510
Current portion (due within one year)	5,531,397	6,806,593

Interest expense incurred from above loans amounted to ₱2,777,805 in 2024 and ₱2,957,418 in 2023.



# 16. Retirement Liability

The Company has started a noncontributory defined benefit retirement plan covering substantially all of its qualified employees in 2020. Retirement benefits are based on employees' years of service and compensation levels during their employment period. The most recent actuarial valuation was dated April 11, 2025 computed for the year ended December 31, 2024.

The retirement liability presented in the statements of financial position amounted to ₱9,098,926 and ₱5,989,114 as at December 31, 2024 and 2023, respectively.

Changes in the present value of the defined benefit obligation follows:

	2024	2023
Balance at beginning of year	₱5,989,114	₱3,849,423
Remeasurement gain (loss) – OCI	2,355,923	1,629,137
Current service cost	389,152	235,705
Interest cost	364,737	274,849
Balance at end of year	₱9,098,926	₱5,989,114

The retirement benefits expense recognized in the statements of comprehensive income as shown as part of "General and Administrative Expenses" (see Note 19) for the years ended December 31, 2024 and 2023 was determined as follow:

	2024	2023
Current service cost	₱389,152	₱235,705
Interest cost – net of interest income	364,737	274,849
Balance at end of year	₱753,889	₱510,554

The movements of cumulative remeasurement loss, net of deferred tax, recognized in other comprehensive income follow:

	2024	2023
Balance at beginning of year	(₱1,968,094)	(₱746,241)
Remeasurement gain (loss) during the year	(1,766,942)	(1,221,853)
Balance at end of year	(₱3,735,036)	(₱1,968,094)

There are no unusual or significant risks to which the retirement plan exposes the Company. However, in the event a benefit claim arises, it shall be immediately due and payable from the Company.

There was no plan amendment, curtailment, or settlement recognized in 2024 and 2023.

The principal actuarial assumptions used to determine retirement benefits in 2024 and 2023 follows:

	2024	2023
Discount rate	6.11%	6.09%
Salary increase rate	5.00%	5.00%
Retirement age (in years)	60	60

The sensitivity analysis on the retirement benefit obligation in 2024 and 2023 follows:

	2024	2023
1% increase in discount rate	(P697,539)	(P482,765)
1% decrease in discount rate	868,304	603,652
1% increase in the salary increase rate assumption	870,076	604,770
1% decrease in the salary increase rate assumption	(726,132)	(504,420)
10% improvement in employee turnover	270,130	202,279
10% increase in employee turnover	(270,130)	(202,279)

#### 17. Service Revenues

Service revenues pertain to healthcare services covered under the HMO agreements rendered by the Company to customers. The performance obligation to provide medical services is satisfied over time upon rendering of the services. Revenue in 2024 and 2023 amounted to P857.3 million and P398.9 million, respectively. Outstanding contract balances amounted to P4.9 million in 2024 and P5.1 million in 2023 (see Note 7). These are noninterest-bearing and to be settled on demand.

On July 3, 2024, the Company entered into a contract with Supreme Court of the Philippines, a government agency of the Republic of the Philippines, to provide a Comprehensive Health Care Plan for the Judiciary through a Joint Venture Agreement with Manila Bankers Life and General Assurance Corporation. This covers the period of July 8, 2024, to July 7, 2025, revenue contribution in 2024 amounted to P441,447,472 and outstanding balance as at December 31, 2024 amounted to P87,688,716.

#### 18. Cost of Services

This account consists of:

	2024	2023
Claims:		
Medical	P589,972,205	P155,804,972
Death	6,971,825	6,894,391
Cash value	1,348,474	1,085,014
	598,292,504	163,784,377
Reserves for long-term contracts	87,522,947	96,145,839
Commission	49,776,624	47,740,429
Term insurance premium	18,887,711	18,353,208
Fees – dental network	5,216,144	4,588,486
	P759,695,930	P330,612,339

## 19. General and Administrative Expenses

This account consists of:

	2024	2023
Salaries and employee benefits	₱33,600,475	₱25,820,178
Taxes and licenses	6,391,418	4,232,668
Depreciation and amortization (Notes 10 and 20)	6,838,482	6,831,600
Supplies	3,554,689	1,971,000
Professional fee	3,190,688	4,577,687
SSS, Philhealth and HDMF premium contribution	3,027,362	1,968,588
Transportation and travel	2,736,702	3,524,789
Representation and entertainment	2,624,350	1,636,311
Membership dues	2,977,826	2,718,854
Advertising and promotions	2,221,032	3,289,466
Communication, light and water	2,169,668	2,053,804
Janitorial and messengerial services	809,350	711,469
Retirement benefit expense (Note 16)	753,889	510,554
Insurance	286,831	306,968
Repairs and maintenance	100,385	159,047
Provision for expected credit loss (Note 7)	85,323	71,462
Miscellaneous	699,529	325,493
	<b>₱72,067,998</b>	<b>₱60,709,938</b>

Miscellaneous pertains to sundry expenses, prizes and awards, pantry expenses, special projects and other expenses.

## 20. Income Taxes

- The current income tax expense in 2024 and 2023 represents regular corporate income tax (RCIT)
- Below is the reconciliation of income taxes which will show income tax payable or any creditable withholding taxes:

	2024	2023
Income before income tax	₱33,227,117	₱11,114,938
Multiplied by statutory tax	25%	25%
Income tax at statutory tax rate	8,306,779	2,778,734
Income tax effects of:		
Nontaxable income	—	—
Dividend income subjected to final tax	(2,185,962)	(1,094,997)
Interest income subjected to final tax	(630,884)	(234,590)
Nondeductible penalties	898,389	163,797
Derecognized deferred taxes	—	(307,171)
Nondeductible interest expense	157,721	58,647
Nondeductible expense	21,331	—
Total income tax expense – current and deferred	6,567,374	1,364,420
Deferred income tax benefit (expense)	(53,387)	590,135
Current income tax expense	<b>6,513,987</b>	<b>1,954,555</b>

	2024	2023
Prior year excess tax credits	(P8,589,069)	(P5,010,771)
Creditable withholding tax during the year	5,471,217	5,532,853
Creditable withholding tax applied during the year	(6,513,987)	(1,954,555)
Creditable withholding tax (Note 8)	(P7,546,299)	(P8,589,069)

The components of the Company's deferred tax assets and deferred tax liability account in the Statements of financial position follow:

	2024		
	Balance at beginning of year	Deferred income tax benefit (expense)	Balance at end of year
Deferred tax assets			
Deferred income tax recognized in profit or loss:			
Retirement liability	P909,719	P188,472	P1,098,191
Lease liability (ROU)	3,813	10,505	14,318
Unpaid claims	1,568,776	(252,364)	1,316,412
	2,482,308	(53,387)	2,428,921
Deferred income tax recognized in OCI:			
Unrealized loss in FVOCI	—	2,672,034	2,672,034
Remeasurement gain (loss)	704,427	588,981	1,293,408
Total deferred tax	P3,186,735	P3,207,628	P6,394,363

	2023		
	Balance at beginning of year	Deferred income tax benefit (expense)	Balance at end of year
Deferred tax assets			
Deferred income tax recognized in profit or loss:			
Retirement liability	P782,080	P127,639	P909,719
Lease liability (ROU)	(301,080)	304,893	3,813
Unpaid claims	1,411,173	157,603	1,568,776
	1,892,173	590,135	2,482,308
Deferred income tax recognized in OCI:			
Remeasurement gain (loss)	297,143	407,284	704,427
Total deferred tax	P2,189,316	P997,419	P3,186,735

- c. The Company opted for the itemized deduction scheme for its income tax reporting in 2024 and 2023.

## 21. Lease Agreement

In 2022, the Company leases its office space for thirty-five (35) months, with options to extend upon mutual agreement of both parties.

# ROU Assets

Rollforward analysis of ROU assets follow:

	2024	2023
Cost:		
Balance at beginning of year	₱15,584,094	₱15,584,094
Addition during the year	18,301,791	—
Lease contract expired during the year	(15,584,094)	—
Balance at end of year	₱18,301,791	₱15,584,094
Accumulated amortization:		
Balance at beginning of year	11,576,756	6,233,638
Depreciation and amortization (Note 19)	5,532,488	5,343,118
Lease contract expired during the year	(15,584,094)	—
Balance at end of year	1,525,150	11,576,756
Net carrying value	16,776,641	4,007,338

# Lease liabilities

Rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	₱3,966,000	₱9,139,848
Addition during the year	18,021,986	—
Payments made during the year	(5,532,488)	(5,343,192)
Interest charge for the year	435,124	169,344
Balance at end of year	16,890,622	3,966,000
Less current portion	5,570,558	3,966,000
Noncurrent portion	₱11,320,064	₱—

Interests on the lease liabilities amounting to ₱207,834 in 2024 and ₱169,344 in 2023 are included as part of 'Interest expense' in the statements of comprehensive income.

The Company also paid security deposits required under the lease contract which are refundable at the end of the lease term. Security deposit amounted to ₱2,150,977 and ₱2,037,676 as at December 31, 2024 and 2023, respectively. Amortization of the discount on security deposit included under 'Interest income' amounted to ₱113,300 in 2024 and ₱178,384 in 2024.

Future minimum lease payments for the above lease agreement follow:

	2024	2023
Within one year	₱5,570,558	₱3,966,000
After one year but not more than 5 years	11,320,064	—
Total	₱16,890,622	₱3,966,000



## 22. Financial Instruments

Set out below is a comparison of carrying values and estimated fair values of the Company's financial instruments as at December 31, 2024 and 2023:

2024					
	Note	Carrying value	Fair value	Quoted price in active market (Level 1)	Significant observable input (Level 2)
<b>Financial assets:</b>					
Cash	5	₱577,267,840	₱577,267,840	—	₱577,267,840
Short term investments	6	14,290,405	14,290,405	—	14,290,405
Receivables	7	4,776,795	4,776,795	—	4,776,795
Financial assets at FVOCI	9	1,531,095,554	1,531,095,554	1,531,095,554	—
Due from affiliates	13	118,409,428	118,409,428	—	118,409,428
Security deposit	21	2,150,977	2,150,977	—	2,150,977
		₱2,247,990,999	₱2,247,990,999	₱1,531,095,554	₱716,895,445
<b>Financial liabilities:</b>					
Trade and other payables*	12	₱8,248,137	₱8,248,137	₱—	₱8,248,137
Reserved liability to planholders	14	2,214,429,634	2,214,429,634	—	2,214,429,634
Due to affiliates	13	9,392,735	9,392,735	—	9,392,735
Loans payable	15	27,247,203	27,247,203	—	27,247,203
Lease liabilities	20	16,890,622	16,890,622	—	16,890,622
		₱2,276,208,331	₱2,276,208,331	₱—	₱2,276,208,331

\*Excluding nonfinancial liabilities amounting to ₱53,314,149.

2023					
	Note	Carrying value	Fair value	Quoted price in active market (Level 1)	Significant observable input (Level 2)
<b>Financial assets:</b>					
Cash	5	₱406,195,285	₱406,195,285	—	₱406,195,285
Short term investments	6	13,856,146	13,856,146	—	13,856,146
Receivables	7	5,104,022	5,104,022	—	5,104,022
Financial assets at FVOCI	9	1,429,654,317	1,429,654,317	1,429,654,317	—
Due from affiliates	13	22,230,306	22,230,306	—	22,230,306
Security deposit	20	2,037,676	2,037,676	—	2,037,676
		₱1,879,077,752	₱1,879,077,752	₱1,429,654,317	₱449,423,435
<b>Financial liabilities:</b>					
Trade and other payables*	12	₱9,681,798	₱9,681,798	₱—	₱9,681,798
Reserved liability to planholders	14	1,902,345,404	1,902,345,404	—	1,902,345,404
Due to affiliates	13	13,186,260	13,186,260	—	13,186,260
Loans payable	15	34,121,103	34,121,103	—	34,121,103
Lease liabilities	20	3,966,000	3,966,000	—	3,966,000
		₱1,963,300,565	₱1,963,300,565	₱—	₱1,963,300,565

\*Excluding nonfinancial liabilities amounting to ₱4,000,272.

### Methods and Assumptions Used to Estimate the Fair Value

The carrying value of cash, short-term investment, due to and from affiliates, trade and other payables approximate the fair value due to the short-term nature of the transactions.

The fair value of security deposit is the present value of the discounted expected future cash flows using the incremental borrowing rate on the lease agreements in which these relates to.

The carrying value of loans approximate their fair values as their interest rate are based on market rates for debt with the same maturity profiles at the end of the reporting period.

The fair value of financial assets and liabilities included in Level 2 which are not traded in an active market are determined based on the expected cash flows of the underlying asset and liability based on the instrument where the significant inputs required to determine the fair value of such instrument are directly or indirectly observable.

*Financial assets at FVOCI*

The fair value of investments that are actively traded in organized financial market is determined by reference to quoted market bid prices at the close of business at the end of financial reporting period. For investments where there is no active market, fair value is determined using other valuation techniques.

There has been no reclassification to and from Level 1 and 2 categories in 2024 and 2023.

## 23. Financial Risk Management Objectives and Policies

The main purpose of the Company's financial instruments is to fund its operations, acquire and improve property and equipment and to settle obligations. The main risks arising from the use of financial instruments are credit, interest rate, liquidity and equity price risk. The Company's financial instruments comprise of cash and cash equivalents, short-term investment, receivables, security deposits, due to and from affiliates, loans payable, trade and other payables. Exposures to credit and liquidity risks arise in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The Company's BOD reviews and agrees with policies for managing each of these risks. These are summarized below:

*Credit Risk*

The Company's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and to fully settle unpaid balances. The Company controls this risk through monitoring procedures and regular coordination with the customers. The Company has policies in place to ensure that sales of products are made to those with appropriate credit history. Safeguards are implemented to ascertain that no additional deliveries are made to customers with long outstanding balances. Receivable balances are monitored on an ongoing basis.

*Credit risk exposure*

Table below shows the maximum exposure to credit risk of the Company as at December 31, 2024 and 2023 without considering the effects of collaterals and other credit risk mitigation techniques:

	2024	2023
Cash in banks (Note 5)	₱577,267,840	₱406,195,285
Short-term investments (Note 6)	14,290,405	13,856,146
Receivables-net (Note 7)	4,776,795	5,104,022
Financial assets at FVOCI (Note 9)	1,531,095,554	1,429,654,317
Due from affiliates (Note 13)	118,409,428	22,230,306
Security deposit (Note 21)	2,150,977	2,037,676
	<b>₱2,247,990,999</b>	<b>₱1,879,077,752</b>

*Credit quality per class of financial assets*

The table below shows the credit quality by class of financial assets as at December 31, 2024 and 2023:

	2024				
	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Impaired	Total
Financial assets:					
Cash in banks	P577,267,840	P—	P—	P—	P577,267,840
Short-term investment	14,290,405	—	—	—	14,290,405
Receivables	—	—	4,776,795	907,433	5,684,228
Due from affiliates	—	—	118,409,428	—	118,409,428
Financial assets at FVOCI	1,531,095,554	—	—	—	1,531,095,554
Security deposit	—	2,150,977	—	—	2,150,977
	P2,122,653,799	P2,150,977	P123,186,223	P907,433	P2,248,898,432

	2023				
	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Impaired	Total
Financial assets:					
Cash in banks	P406,195,285	P—	P—	P—	P406,195,285
Short-term investment	13,856,146	—	—	—	13,856,146
Receivables	—	—	5,104,022	822,110	5,926,132
Due from affiliates	—	—	22,230,306	—	22,230,306
Financial assets at FVOCI	1,429,654,317	—	—	—	1,429,654,317
Security deposit	—	2,037,676	—	—	2,037,676
	P1,849,705,748	P2,037,676	P27,334,328	P822,110	P1,879,899,862

There were no financial assets which were considered as past due but not impaired in 2024 and 2023.

High grade cash in banks are working capital cash fund placed or deposited in local banks belonging to the top ten (10) banks in the Philippines in terms of resources and profitability.

Other high-grade accounts are accounts considered to be high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have a probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up and extended payment terms.

*Impairment assessment*

The Company applies general approach for determining the ECLs of cash in banks, short-term investments, nontrade receivables and due from affiliates. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates. The management has assessed that above financial assets are not impaired.

Impairment of security deposit could not be readily determined as the underlying contracts are currently in force and the parties involved have no immediate plan to pre-terminate the leases. The Company is compliant with the lease conditions based on the contracts.

*Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk exposure is limited to its cash and short and long-term debts kept with various depository banks. Changes in interest thereof would not be material to the Company's operations.

As at December 31, 2024 and 2023, the Company's interest on loans payable is subject regular evaluation. Interest risk is managed through regular monitoring.

*Liquidity Risk*

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and cover its operating costs. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

Additional short-term funding is obtained from related parties and short-term loans, when necessary. The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk.

Table below summarizes the maturity profile of the Company's financial liabilities:

	2024			Total
	On Demand	Due within 1 year	Due beyond 1 year but not more than 5 years	
<i>Financial liabilities:</i>				
Trade and other payables*	P-	P8,248,137	P-	P8,248,137
Reserved liability to planholders	-	1,828,186,614	386,243,020	2,214,429,634
Due to affiliates	9,392,735	-	-	9,392,735
Loans payable	-	5,531,397	21,715,806	27,247,203
Lease liability	-	5,570,558	11,320,064	16,890,622
	P9,392,735	P1,847,536,706	P419,278,890	P2,276,208,331

\*Excluding government payables and output VAT payable P53,314,148.

	2023			Total
	On Demand	Due within 1 year	Due beyond 1 year but not more than 5 years	
<i>Financial liabilities:</i>				
Trade and other payables*	P—	P9,681,798	P—	P9,681,798
Reserved liability to planholders	—	1,554,189,260	348,156,294	1,902,345,404
Due to affiliates	13,186,260	—	—	13,186,260
Loans payable	—	6,806,593	27,314,510	34,121,103
Lease liability	—	3,966,000	—	3,966,000
	P13,186,260	P1,574,643,651	P375,470,804	P1,963,300,565

\*Excluding government payables and output VAT payable P4,000,272.

#### Equity Price Risk

The Company's exposure to equity securities price risk pertains to its equity instrument financial asset at FVOCI. Equity securities price risk arises from the changes in the levels of equity indices and value of stocks traded in the stock market.

At December 31, 2024 and 2023, if the quoted stock price for the securities using PSE index had increased (decreased) by 14% and 12%, respectively, the Company's total equity would have been higher (lower) by about P132.96 million and P87.34 million, respectively. The analysis is based on the assumption that the quoted prices had changed by 14% and 12%, with all other variables held constant.

#### **24. Capital Management**

The Company has an authorized capital stock of P160,000,000 divided into 160,000,000 common shares at a par value of P1 per share. Total issued and outstanding shares amounted to P68,240,000 of which P53,240,000 were paid and the remaining unpaid subscription amounted to 15,000,000 shares.

The Company maintains a capital base to cover risks inherent in the business. The primary objective of the Company's capital management is to maintain stability of capital and minimize losses.

The Company considers the following as its capital as at December 31, 2024 and 2023:

	2024	2023
Capital stock	P53,240,000	P53,240,000
Cumulative fair value loss on equity instruments at FVOCI	(8,016,104)	(5,258,067)
Cumulative remeasurement loss	(3,735,036)	(1,968,094)
Retained earnings	63,062,489	36,402,746
	P104,551,349	P82,416,585

During the Board Meeting held on March 31, 2025, pursuant to the purchase by the Company of 20% ownership of Malayan Savings Bank, Inc., the Board approved the call for additional capitalization. All of the unsubscribed 91,760,000 shares will be subscribed at the book value of P1.65/share. This will increase the Capital Stock by P91,760,000 and Share Premium by P59,644,000.

#### **25. Supplementary Information Required by the Bureau of Internal Revenue (BIR)**

The following information on taxes, duties and license fees paid or accrued during the taxable year 2024 as presented for purposes of compliance with the disclosure requirement by the BIR



as provided for in its Revenue Regulation 15-2010 and is not a required part of the basic financial statements in accordance with PFRS:

a. Net sales/receipts declared in the Company's VAT returns

	Net sales/receipts	Output VAT
Service income	₱862,642,266	₱103,517,072

b. Input VAT

Balance at beginning of year	₱-
Current year's domestic purchases:	
Services lodged under other accounts	24,098,458
Goods other than for resale or manufacture	1,706,141
Less: Claims for tax credit	(13,646,450)
Applied to output VAT	(12,158,149)
Balance at end of year	₱-

c. Taxes and licenses

Penalties and interest	₱3,593,558
Business permit	2,537,411
Real property tax	260,449
	₱6,391,418

d. Withholding taxes

The amount of withholding taxes paid or accrued in 2024 follow:

Expanded withholding taxes	₱16,498,551
Tax on compensation and benefits	1,058,361
	₱17,556,912

e. The Company has no transactions in 2024 that were subject to the following taxes:

- Customs duties and tariff fees
- Excise taxes
- Capital gains tax

f. The Company has no final tax assessments and cases pending before the Bureau of Internal Revenue (BIR) as at December 31, 2024. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2024.