

SURETA AND ASSOCIATE, CPAs
CERTIFIED PUBLIC ACCOUNTANTS

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, 2025 and 2024, 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, 2025 and 2024 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, or 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.

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, 2025, on which we have rendered the attached report dated May 15, 2026

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, 2025 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


ESTER P. CLARETE

Partner

Certified Public Accountant
Board Certificate No. 51131
PTR No. 5391076 Malabon City
January 7, 2026
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
Malabon City
May 15, 2026



Fwd: Your BIR AFS eSubmission uploads were received

1 message

Maricel Caraig <maricel@kaiserhealthgroup.com>
To: Ruby Maderal <acctgsupervisor@kaiserhealthgroup.com>

Mon, May 25, 2026 at 12:36 PM

Sincerely yours,

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

From: <eafs@bir.gov.ph>
Date: Mon, May 25, 2026 at 12:07 PM
Subject: Your BIR AFS eSubmission uploads were received
To: <MARICEL@kaiserhealthgroup.com>
CC: <MARICEL@kaiserhealthgroup.com>

HI KAISER INTERNATIONAL HEALTHGROUP INC,

Valid files

- EAFS232191988TRTY122025.pdf
- EAFS232191988AFSTY122025.pdf
- EAFS232191988TCRTY122025-15.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-NVWZS3PT0PN3SVSXZNSRP1RQ306A7DJK6B**
Submission Date/Time: **May 25, 2026 12:07 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.

May 15, 2026

The Securities and Exchange Commission
Secretariat Building
PICC Complex, Pasay City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

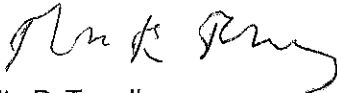
The management of **Kaiser International Healthgroup, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of and for the years ended December 31, 2025 and 2024 in accordance with the prescribed financial reporting framework 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.

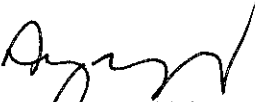
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company 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 P. Torralba
Chairman of the board


Dra. Leah Uy-Yolo
President


Mr. Louis Bartolome Stein J. Borja
Treasurer

May 15, 2026

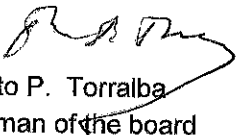
The Bureau of Internal Revenue
RDO No. 054A
Trece Martirez City, East Cavite

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY 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, 2025. 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, 2025 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 P. Torralba
Chairman of the board


Dra. Leah Uy-Yolo
President


Mr. Louis Bartolome Stein J. Borja
Treasurer

KAISER INTERNATIONAL HEALTHGROUP, INC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Peso)

	Note	2025	2024
ASSETS			
Current Assets			
Cash	5	P458,275,070	P577,267,840
Short-term investments	6	14,349,814	14,290,405
Receivables	7	5,889,036	4,776,795
Financial assets at fair value through other comprehensive income (FVOCI)	9	1,804,700,941	1,531,095,554
Due from affiliates	14	-	118,409,428
Prepaid expenses and other current assets	8	19,892,887	17,608,596
Total Current Assets		2,303,107,748	2,263,448,618
Noncurrent Assets			
Property and equipment - net	10	9,516,690	6,550,073
Investment in associate	12	384,060,736	-
Investment properties	11	261,393,204	147,852,083
Right of use asset - net	22	10,676,044	16,776,641
Security deposit	22	2,150,977	2,150,977
Deferred tax asset	21	751,062	6,394,363
Total Noncurrent Assets		668,548,713	179,724,137
		P2,971,656,461	P2,443,172,755
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	P62,678,139	P61,562,286
Reserved liability to planholders	15	1,992,579,144	1,828,186,614
Due to affiliates	14	8,074,109	9,392,735
Loans payable	16	5,971,174	5,531,397
Lease liabilities	22	6,223,681	5,570,558
Total Current Liabilities		2,075,526,247	1,910,243,590
Noncurrent Liabilities			
Reserved liability to planholders	15	421,419,355	386,243,020
Loans payable	16	15,744,631	21,715,806
Lease liabilities	22	5,096,383	11,320,064
Retirement liability	17	11,229,520	9,098,926
Total Noncurrent Liabilities		453,489,889	428,377,816
Total Liabilities		2,529,016,136	2,338,621,406

Equity			
Capital stock – ₱ 1 par value			
Authorized – 160,000,000 shares			
Issued and subscribed – 91,760,000 shares			
in 2025 and 68,240,000 shares in 2024			
net of subscriptions receivable of ₱15,000,000	25	145,000,000	53,240,000
Additional paid-in capital	25	59,644,000	–
Cumulative fair value gain (loss) on financial			
asset at FVOCI	10	10,739,510	(8,016,104)
Cumulative remeasurement loss	17	(4,506,216)	(3,735,036)
Retained earnings	25	231,763,031	63,062,489
Total Equity		442,640,325	104,551,349
		2,971,656,461	₱2,443,172,755

See accompanying Notes to Financial Statements.

KAISER INTERNATIONAL HEALTHGROUP, INC
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Peso)

	Note	2025	2024
SERVICE REVENUES	18	₱1,363,001,921	P857,342,267
COST OF SERVICES	19	1,259,829,977	759,695,930
GROSS PROFIT		103,171,944	97,646,337
GENERAL AND ADMINISTRATIVE EXPENSES	20	87,411,213	72,067,998
PROFIT FROM OPERATIONS		15,760,731	25,578,339
OTHER INCOME (CHARGES) – Net			
Increase in fair value of investment property	11	113,541,121	–
Dividend income	9	22,443,845	8,743,849
Interest income on deposits and short-term investment	5, 6	2,427,772	2,523,538
Interest expense on loans	16	(1,909,209)	(2,777,805)
Bank charges		(1,791,554)	(1,507,388)
Realized gain on sale of securities	11	1,508,330	–
Interest expense on lease liabilities	22	(818,759)	(207,834)
Interest expense on penalty		–	(407,014)
Interest income on security deposit	22	–	113,300
Others		27,836,515	1,168,132
		163,238,061	7,648,778
PROFIT BEFORE INCOME TAX		178,998,792	33,227,117
PROVISION FOR INCOME TAX	21		
Current		10,649,760	6,513,987
Deferred		(351,510)	53,387
		10,298,250	6,567,374
NET PROFIT		168,700,542	26,659,743
OTHER COMPREHENSIVE GAIN (LOSS)			
<i>Not reclassifiable subsequently to profit or loss</i>			
Fair value gain (loss) on financial asset at FVOCI	9	25,007,485	(5,430,071)
Remeasurement loss on retirement benefits	17	(1,028,240)	(2,355,923)
		23,979,245	(7,785,994)
Deferred income tax benefit – net	21	(5,994,811)	3,261,015
		17,984,434	(4,524,979)
TOTAL COMPREHENSIVE INCOME		₱186,684,976	P22,134,764

See accompanying Notes to Financial Statements.

KAISER INTERNATIONAL HEALTHGROUP, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Peso)

	Note	2025	2024
CAPITAL STOCK – ₱ 1 par value			
Balance at beginning of year		₱53,240,000	₱53,240,000
Subscriptions during the year		91,760,000	–
Balance at end of year	25	145,000,000	53,240,000
ADDITIONAL PAID-IN CAPITAL	25	59,644,000	–
CUMULATIVE REMEASUREMENT LOSS –			
Net			
Balance at beginning of year		(3,735,036)	(1,968,094)
Remeasurement loss during the year	17	(771,180)	(1,766,942)
Balance at end of year		(4,506,216)	(3,735,036)
CUMULATIVE FAIR VALUE GAIN (LOSS)			
ON			
FINANCIAL ASSET AT FVOCI – Net			
Balance at beginning of year		(8,016,104)	(5,258,067)
Fair value gain (loss) during the year	9	18,755,614	(2,758,037)
Balance at end of year		10,739,510	(8,016,104)
RETAINED EARNINGS			
Balance at beginning of year	25	63,062,489	36,402,746
Net profit during the year		168,700,542	26,659,743
Balance at end of year		231,763,031	63,062,489
		₱442,640,325	₱104,551,349

KAISER INTERNATIONAL HEALTHGROUP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Peso)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		₱178,998,792	₱33,227,117
Adjustments for:			
Increase in fair value of investment property	11	(113,541,121)	
Dividend income	9	(22,443,845)	(8,743,849)
Depreciation and amortization	10, 22	8,608,646	6,838,482
Interest income	5, 6	(2,427,772)	(2,523,538)
Interest expense on loans	16	1,909,209	2,777,805
Provision for retirement expense	17	1,102,354	753,889
Interest expense on lease liability	22	818,759	207,834
Interest income – security deposit	22	–	(113,300)
Provision for expected credit loss	7	–	85,323
Profit before working capital changes		53,025,022	32,509,763
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	7	(1,112,241)	241,904
Prepaid expenses and other current assets	8	(1,056,237)	1,949,425
Increase in:			
Trade and other payables	13	1,115,853	47,880,216
Reserved liability to planholders	15	199,568,865	497,793,824
Cash generated from operations		251,541,262	580,375,132
Income tax paid	21	(11,877,814)	(5,471,217)
Dividends received	9	22,443,845	8,743,849
Interest paid	16	(1,909,209)	(2,777,805)
Interest received	5, 6	2,427,772	2,523,538
Net cash provided by operating activities		262,625,856	583,393,496
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in investment in associate		(384,060,736)	–
Collections from (advances made to) affiliates	15	118,409,428	(281,888,716)
Decrease (increase) in:			
Financial asset at FVOCI	9	(248,597,902)	(106,871,308)
Short-term investment	6	(59,409)	(434,259)
Additions to property and equipment	10	(5,474,666)	(6,874,230)
Net cash used in investing activities		(519,783,285)	(396,068,513)

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of capital stock	25	151,404,000	—
Payments of:			
Loans	16	(5,531,398)	(6,873,900)
Lease liability	22	(6,389,317)	(5,585,003)
Due to affiliates	14	(1,318,626)	(3,793,525)
Net cash provided by (used in) financing activities		138,164,659	(16,252,428)
NET INCREASE (DECREASE) IN CASH		(119,992,770)	171,072,555
CASH AT BEGINNING OF YEAR	5	577,267,840	406,195,285
CASH AT END OF YEAR	5	₱458,275,070	₱577,267,840

KAISER INTERNATIONAL HEALTHGROUP, INC.
NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Peso)

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, 2025 and 2024 was authorized and approved for issue by the Board of Directors (BOD) on May 15, 2026.

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.

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 material 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, 2025 and 2024 (see Note 9).

The Company has no financial assets at FVPL as at December 31, 2025 and 2024.

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 22) and due from affiliates (Note 14) as at December 31, 2025 and 2024.

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 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.

4. *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, 2025 and 2024, this classification includes the Company's trade and other payables (except government payables) (Note 13), due to affiliates (Note 14), loans payable (Note 16), reserved liability to planholders (Note 15) and lease liabilities (Note 22).

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, 2025 and 2024, 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.

Investment in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investment in associate is recognized at cost.

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 current and deferred taxes.

Current income tax expense 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.

5. 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.

Expected credit loss amounted to ₱907,433 as at December 31, 2025 and 2024 (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, 2025 and 2024 amounted to ₱15.4 million and ₱23.3 million, respectively (see Notes 10 and 22).

- *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 ₱2.8 million and ₱6.4 million as at December 31, 2025 and 2024, respectively (see Note 21).

- *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 18 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 ₱11.2 million and ₱9.1 million as at December 31, 2025 and 2024, respectively (see Note 17).

5. Cash

This account consists of:

	2025	2024
Cash in banks	P458,235,070	P577,227,840
Petty cash fund	40,000	40,000
	P458,275,070	P577,267,840

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 P1,977,215 in 2025 and P1,970,494 in 2024.

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 P14,349,814 and P14,290,405 as at December 31, 2025 and 2024, respectively. The investment earns interest ranging from 1.4% to 5.4%. Interest income earned amounted to P450,557 in 2025 and P553,044 in 2024.

Rollforward analysis of this account follows:

	2025	2024
Balance at beginning of year	P14,290,405	P13,856,146
Additions during the year	14,108,852	13,871,215
Matured during the year	(14,500,000)	(13,990,000)
Interest earned during the year	450,557	553,044
Balance at end of year	P14,349,814	P14,290,405

7. Receivables

This account consists of:

	2025	2024
Trade	P6,796,469	P5,684,228
Less: Expected credit loss	907,433	907,433
	P5,889,036	P4,776,795

Work forward analysis of allowance for expected credit loss follows:

	2025	2024
Balance at the beginning of the year	P907,433	P822,110
Provision for expected credit loss (Note 19)	--	85,323
Balance at end of the year	P907,433	P907,433

Trade receivables are noninterest-bearing and are generally collected within terms ranging from 30 to 90 days. Trade receivables as at December 31, 2023 amounted to ₱5.1 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:

	2025	2024
Deposit to healthcare providers	₱9,790,000	₱8,865,000
Creditable withholding tax (Note 21)	8,774,353	7,546,299
Office and marketing materials	1,328,534	1,197,297
	₱19,892,887	₱17,608,596

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:

	2025	2024
Listed shares of stock	₱1,064,982,183	₱583,604,674
Mutual funds	739,718,758	947,490,880
Total	₱1,804,700,941	₱1,531,095,554

The rollforward analysis of this account follows:

	2025	2024
Balance at beginning of year	₱1,531,095,554	₱1,429,654,317
Additions during the year	247,089,572	106,871,308
Increase (decrease) in fair value during the year	25,007,485	(5,430,071)
Realized gain during the year	1,508,330	-
Balance at end of year	₱1,804,700,941	₱1,531,095,554

Realized gain pertains to sale on securities of the Company during the year.

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:

	2025	2024
Balance at beginning of year	(P8,016,104)	(P5,258,067)
Increase (decrease) in fair value during the year (net of deferred income tax)	18,755,614	(2,758,037)
Balance at end of year	P10,739,510	(P8,016,104)

Dividend income earned from financial assets at FVOCI amounted to P22,443,845 in 2025 and P8,743,849 in 2024

10. Property and Equipment – Net

The rollforward analysis of this account follows:

	2025			
	Transportatio n equipmen t	Office equipment	Leasehold improvements	Total
Cost:				
Balance at beginning of year	P14,677,595	P8,976,480	P9,317,283	P32,971,358
Additions during the year	–	5,474,666	–	5,474,666
Balance at end of year	14,677,595	14,451,146	9,317,283	38,446,024
Accumulated depreciation and amortization:				
Balance at beginning of year	14,677,595	8,064,087	3,679,603	26,421,285
Depreciation and amortization (Note 20)	–	925,190	1,582,859	2,508,049
Balance at end of year	14,677,595	8,989,277	5,262,462	28,929,334
Net carrying value	P–	P5,461,869	P4,054,821	P9,516,690

	2024			
	Transportati on equipment	Office equipment	Leasehold improvement s	Total
Cost:				
Balance at beginning of year	P14,677,595	P8,119,366	P3,300,167	P26,097,128
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 20)	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	P–	P912,393	P5,637,680	P6,550,073

The cost of fully depreciated assets which are still in use in operations amounted to P25,477,515 and P24,679,390 as at December 31, 2025 and 2024, respectively.

Management believes that there were no indications of impairment in the value of its property and equipment as at December 31, 2025 and 2024.

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 ₱261.4 million and ₱147.9 million as at December 31, 2025 and 2024, respectively. Increase in fair value of investment properties amounted to ₱113,541,121 in 2025. Realized gain on sale of securities amounted to ₱1,508,330 in 2025.

Cost incurred in maintaining the investment properties for utilities and association dues amounting to ₱1,716,817 in 2025 and ₱1,680,576 in 2024 were included under "Communication, light and water" and "Membership dues" (Note 20).

There were no disposals and adjustment for impairment as at December 31, 2025 and 2024. There was also no income generated from investment properties as at December 31, 2025 and 2024.

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. Investment in Associate

In 2025, the Company acquired a 26.1% interest in Malayan Savings Bank for a total cost of ₱384,060,736.

13. Trade and Other Payables

	2025	2024
Output VAT	₱48,327,928	₱44,772,503
Government payables	6,874,067	8,541,646
Unpaid claims	4,375,793	4,736,498
Due to planholders	2,383,361	2,913,212
Accrued expenses	716,990	598,427
	₱62,678,139	₱61,562,286

Unpaid claims refer to the claims made by customers 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) payables.

14. Related Party Transactions

The Company has the following transactions with its affiliates:

- a. Provides medical services to the employees of its affiliates. These are noninterest-bearing.
- b. Extends to and avails from affiliates noninterest-bearing and unsecured advances for working capital and investment purposes. Receivables amounted to ₱118.4 million as at December 31, 2024, and payables amounted to ₱8.1 million and ₱9.4 million as at December 31, 2025 and 2024, respectively.

Rollforward analysis of due to and from affiliates is as follows:

	2025	2024
Due from:		
Balance at beginning of year	₱118,409,428	₱22,230,306
Additions during the year	-	96,179,122
Collections during the year	(118,409,428)	-
Balance at end of year	₱-	₱118,409,428
Due to:		
Balance at beginning of year	₱9,392,735	₱13,186,260
Payments made during the year	(1,318,626)	(3,793,525)
Balance at end of year	₱8,074,109	₱9,392,735

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

Category	Transaction amount	2025	
		Balance – Asset/ (Liability)	Terms and conditions/ settlement
Affiliates			
1. Receivables			
Advances	(₱118,409,428)	₱-	collectible on demand; Unsecured; no noninterest – bearing; Impairment; no to be settled in cash commitments
Collection			

2. Payables		(8,074,109)	payable on demand;	Unsecured; no
<i>Advances</i>				
Payment	(1,318,626)		noninterest – bearing;	commitments
			to be settled in cash	
			2024	
Category	Transaction amount	Balance – Asset/ (Liability)	Terms and conditions/ settlement	Guaranty/Provision
Affiliates				
1. Receivables				
<i>Advances</i>	₱96,179,12	₱118,409,428	collectible on demand;	Unsecured; no
<i>Advances</i>			noninterest – bearing;	Impairment; no
			to be settled in cash	commitments
2. Payables				
<i>Advances</i>		(9,392,735)	payable on demand;	Unsecured; no
Payment	(3,793,525)		noninterest – bearing;	commitments
			to be settled in cash	

The Company and its affiliates have common shareholders.

d. Compensation to the Company’s key management personnel follows:

	2025	2024
Salaries and wages	₱4,823,339	₱5,063,161
13 th month pay and other bonuses	410,320	416,496
	₱5,233,659	₱5,479,657

e. There are no other significant related party transactions in 2025 and 2024.

15. 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:

	2025	2024
Current portion	₱1,992,579,144	₱1,828,186,614
Noncurrent portion	421,419,355	386,243,020
	₱2,413,998,499	₱2,214,429,634

16. Loans Payable

- a. 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 amounted to ₱1,183,489. Accordingly, the loan was fully paid in 2024.
- b. 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 amounted ₱565,910. Accordingly, the loan was fully paid in 2024.
- c. 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 2025 and 2024 amounted to ₱1,922,032 and ₱1,759,289, respectively. Outstanding balance as at December 31, 2025 and 2024 amounted to ₱9,645,289 and ₱11,567,321, respectively.
- d. 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 2025 and 2024 amounted to ₱360,724 and ₱339,261, respectively. Outstanding balance as at December 31, 2025 and 2024 amounted to ₱1,179,050 and ₱1,539,774, respectively.
- e. 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 2025 and 2024 amounted to ₱2,025,345 and ₱1,879,439, respectively. Outstanding balance as at December 31, 2025 and 2024 amounted to ₱3,970,424 and ₱5,995,769, respectively.
- f. 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 2025 and 2024 amounted to ₱1,223,297 and ₱1,146,512, respectively. Outstanding balance as at December 31, 2025 and 2024 amounted to ₱6,921,042 and ₱8,144,339, respectively.

Rollforward of loans payable are as follow:

	2025	2024
Balance at beginning of year	₱27,247,203	₱34,121,103
Payments during the year	(5,531,398)	(6,873,900)
Balance at end of year	21,715,805	27,247,203
Less: Noncurrent portion	15,744,631	21,715,806
Current portion (due within one year)	₱5,971,174	₱5,531,397

Interest expense incurred from above loans amounted to ₱1,909,209 in 2025 and ₱2,777,805 in 2024.

17. 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 March 28, 2026 computed for the year ended December 31, 2025.

The retirement liability presented in the statements of financial position amounted to ₱11,229,520 and ₱9,098,926 as at December 31, 2025 and 2024, respectively.

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

	2025	2024
Balance at beginning of year	₱9,098,926	₱5,989,114
Remeasurement gain (loss) – OCI	1,028,240	2,355,923
Current service cost	546,410	389,152
Interest cost	555,944	364,737
Balance at end of year	₱11,229,520	₱9,098,926

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, 2025 and 2024 was determined as follow:

	2025	2024
Current service cost	₱546,410	₱389,152
Interest cost – net of interest income	555,944	364,737
Balance at end of year	₱1,102,354	₱753,889

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

	2025	2024
Balance at beginning of year	(₱3,735,036)	(₱1,968,094)
Remeasurement gain (loss) during the year	(771,180)	(1,766,942)
Balance at end of year	(₱4,506,216)	(₱3,735,036)

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 2025 and 2024.

The principal actuarial assumptions used to determine retirement benefits in 2025 and 2024 follows:

	2025	2024
Discount rate	6.35%	6.11%
Salary increase rate	5.00%	5.00%
Retirement age (in years)	60	60

The sensitivity analysis on the retirement benefit obligation in 2025 and 2024 follows:

	2025	2024
1% increase in discount rate	(P955,126)	(P697,539)
1% decrease in discount rate	1,194,741	868,304
1% increase in the salary increase rate assumption	1,201,752	870,076
1% decrease in the salary increase rate assumption	(993,976)	(726,132)
10% improvement in employee turnover	247,781	270,130
10% increase in employee turnover	(247,781)	(270,130)

18. 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 2025 and 2024 amounted to P1.363 billion and P857.3 million, respectively. Outstanding contract balances amounted to P5.9 million in 2025 and P4.8 million in 2024 (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 amounted to P822,253,181 in 2025 and P441,447,472 in 2024. Outstanding balance as at December 31, 2025 and 2024 amounted to nil and P87,688,716, respectively.

19. Cost of Services

This account consists of:

	2025	2024
Claims:		
Medica	P967,355,199	P589,972,205
l		
Death	6,971,825	6,971,825
Cash value	1,348,474	1,348,474
	975,675,498	598,292,504
Commission	144,802,472	49,776,624
Reserves for long-term contracts	88,601,343	87,522,947
Term insurance premium	45,534,519	18,887,711
Fees – dental network	5,216,145	5,216,144
	P1,259,829,977	P759,695,930

20. General and Administrative Expenses

This account consists of:

	2025	2024
Salaries and employee benefits	P44,511,621	P33,600,475
Depreciation and amortization (Notes 10 and 22)	8,608,646	6,838,482
Supplies	5,613,285	3,554,689
Representation and entertainment	4,256,280	2,624,350
Professional fee	4,173,511	3,190,688
SSS, Philhealth and HDMF premium contribution	4,164,614	3,027,362
Taxes and licenses	3,142,593	6,391,418
Communication, light and water	2,877,386	2,169,668
Membership dues	2,647,247	2,977,826
Transportation and travel	2,291,683	2,736,702
Janitorial and messengerial services	1,826,603	809,350
Retirement benefit expense (Note 17)	1,102,354	753,889
Insurance	577,540	286,831
Advertising and promotions	302,241	2,221,032
Repairs and maintenance	203,500	100,385
Provision for expected credit loss (Note 7)	—	85,323
Miscellaneous	1,112,109	699,529
	P87,411,213	P72,067,998

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

21. Income Taxes

- a. The current income tax expense in 2025 and 2024 represents regular corporate income tax (RCIT).
- b. Below is the reconciliation of income taxes which will show income tax payable or any creditable withholding taxes:

	2025	2024
Income before income tax	P178,998,792	P33,227,117
Multiplied by statutory tax	25%	25%
Income tax at statutory tax rate	44,749,698	8,306,779
Income tax effects of:		
Nontaxable income	(28,385,280)	—
Dividend income	(5,610,961)	(2,185,962)
Interest income subjected to final tax	(606,943)	(630,884)
Nondeductible interest expense	151,736	157,721
Nondeductible penalties	—	898,389
Nondeductible expense	—	21,331
Total income tax expense – current and deferred	10,298,250	6,567,374
Deferred income tax benefit (expense)	351,510	(53,387)
Current income tax expense	10,649,760	6,513,987

	2025	2024
Prior year excess tax credits	(P7,546,299)	(P8,589,069)
Creditable withholding tax during the year	(11,877,814)	(5,471,217)
Creditable withholding tax applied during the year	10,649,760	6,513,987
Creditable withholding tax (Note 8)	(P8,774,353)	(P7,546,299)

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

	2025		
	Balance	Deferred	Balance at end
	at beginning of	income	of year
	year	tax	
Deferred tax assets		benefit (expense)	
Deferred income tax recognized in profit or loss:			
Retirement liability	P1,098,191	P275,588	P1,373,779
Lease liability (ROU)	14,318	166,098	180,416
Unpaid claims	1,316,412	(90,176)	1,226,236
	2,428,921	351,510	2,780,431
Deferred income tax recognized in OCI:			
Unrealized loss (gain) in FVOCI	2,672,034	(6,251,871)	(3,579,837)
Remeasurement gain	1,293,408	257,060	1,550,468
Total deferred tax	P6,394,363	(P5,643,301)	P751,062

	2024		
	Balance	Deferred	Balance at end
	at beginning of	income	of year
	year	tax	
Deferred tax assets		benefit (expense)	
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

- c. The Company opted for the itemized deduction scheme for its income tax reporting in 2025 and 2024.

22. 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:

	2025	2024
Cost:		
Balance at beginning of year	P18,301,791	P15,584,094
Addition during the year	-	18,301,791
Lease contract expired during the year	-	(15,584,094)
Balance at end of year	P18,301,791	P18,301,791
Accumulated amortization:		
Balance at beginning of year	P1,525,150	P11,576,756
Depreciation and amortization (Note 19)	6,100,597	5,532,488
Lease contract expired during the year	-	(15,584,094)
Balance at end of year	7,625,747	1,525,150
Net carrying value	P10,676,044	P16,776,641

Lease liabilities

Rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	P16,890,622	P3,966,000
Addition during the year	-	18,021,986
Payments made during the year	(6,389,317)	(5,532,488)
Interest charge for the year	818,759	435,124
Balance at end of year	P11,320,064	P16,890,622
Less current portion	6,223,681	5,570,558
Noncurrent portion	P5,096,383	P11,320,064

Interests on the lease liabilities amounting to P818,759 in 2025 and P207,834 in 2024 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 P2,150,977 as at December 31, 2025 and 2024.

Future minimum lease payments for the above lease agreement follow:

	2025	2024
Within one year	P6,708,782	P6,389,317
After one year but not more than 5 years	5,217,942	11,926,724
Total	P11,926,724	P18,316,041

23. 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, 2025 and 2024:

2025					
	Note	Carrying value	Fair value	Quoted price in active market (Level 1)	Significant observable input (Level 2)
Financial assets:					
Cash	5	₱458,275,070	₱458,275,070	–	₱458,275,070
Short term investments	6	14,349,814	14,349,814	–	14,349,814
Receivables	7	5,889,036	5,889,036	–	5,889,036
Financial assets at FVOCI	9	1,804,700,941	1,804,700,941	1,804,700,941	–
Security deposit	22	2,150,977	2,150,977	–	2,150,977
		₱2,285,365,838	₱2,285,290,838	₱1,804,700,941	₱480,664,897
Financial liabilities:					
Trade and other payables*	13	₱7,476,144	₱7,476,144	₱–	₱7,476,144
Reserved liability to planholders	15	2,413,998,499	2,413,998,499	–	2,413,998,499
Due to affiliates	14	8,074,109	8,074,109	–	8,074,109
Loans payable	16	21,715,805	21,715,805	–	21,715,805
Lease liabilities	22	11,320,064	11,320,064	–	11,320,064
		₱2,462,584,621	₱2,462,584,621	₱–	₱2,462,584,621

*Excluding nonfinancial liabilities amounting to ₱55,201,995.

2024					
	Note	Carrying value	Fair value	Quoted price in active market (Level 1)	Significant observable input (Level 2)
Financial assets:					
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	14	118,409,428	118,409,428	–	118,409,428
Security deposit	22	2,150,977	2,150,977	–	2,150,977
		₱2,247,990,999	₱2,247,990,999	₱1,531,095,554	₱716,895,445
Financial liabilities:					
Trade and other payables*	13	₱8,248,137	₱8,248,137	₱–	₱8,248,137
Reserved liability to planholders	15	2,214,429,634	2,214,429,634	–	2,214,429,634
Due to affiliates	14	9,392,735	9,392,735	–	9,392,735
Loans payable	16	27,247,203	27,247,203	–	27,247,203
Lease liabilities	22	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.

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 2025 and 2024.

24. 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 investments, receivables, security deposits, due to and from affiliates, financial assets at FVOCI, loans payable, trade and other payables, lease liability and reserve liability to plantholders. 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:

- a. To identify and monitor such risks on an ongoing basis;
- b. To minimize and mitigate such risks; and
- c. 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. 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, 2025 and 2024 without considering the effects of collaterals and other credit risk mitigation techniques:

	2025	2024
Cash in banks (Note 5)	P458,275,070	P577,267,840
Short-term investments (Note 6)	14,349,814	14,290,405
Receivables-net (Note 7)	5,889,036	4,776,795
Financial assets at FVOCI (Note 9)	1,804,700,941	1,531,095,554
Due from affiliates (Note 14)	-	118,409,428
Security deposit (Note 22)	2,150,977	2,150,977
	P2,285,365,838	P2,247,990,999

Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as at December 31, 2025 and 2024:

	2025					Total
	Neither past due nor impaired					
	High grade	Standard grade	Substandard grade	Impaired		
Financial assets:						
Cash in banks (Note 5)	P458,275,070	P-	P-	P-		P458,275,070
Short-term investment (Note 6)	14,349,814	-	-	-		14,349,814
Receivables (Note 7)	-	5,889,036	-	907,433		6,796,469
Financial assets at FVOCI (Note 9)	1,804,700,941	-	-	-		1,804,700,941
Security deposit (Note 22)	-	2,150,977	-	-		2,150,977
	P2,277,325,825	P8,040,013	P-	P907,433		P2,286,273,271

	2024					Total
	Neither past due nor impaired					
	grade	Impaired	Substandard	Total		
Financial assets:						
Cash in banks (Note 5)	P577,267,840	P-	P-	P-		P577,267,840
Short-term investment (Note 6)	14,290,405	-	-	-		14,290,405
Receivables (Note 7)	-	4,776,795	-	907,433		5,684,228
Due from affiliates (Note 14)	-	118,409,428	-	-		118,409,428
Financial assets at FVOCI (Note 9)	1,531,095,554	-	-	-		1,531,095,554
Security deposit (Note 22)	-	2,150,977	-	-		2,150,977
	P2,122,653,799	P125,337,200	P-	P907,433		P2,248,898,432

There were no financial assets which were considered as past due but not impaired in 2025 and 2024.

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, financial asset at FVOCI, and due from affiliates, and applies simplified approach for trade receivables. 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, 2025 and 2024, 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:

2025				
	On Demand	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
<i>Financial liabilities:</i>				
Trade and other payables*	P=	P7,476,144	P=	P7,476,144
Reserved liability to planholders	-	1,992,579,144	421,419,355	2,413,998,499
Due to affiliates	8,074,109	-	-	8,074,109
Loans payable	-	5,971,174	15,744,631	21,715,805
Lease liability	-	6,223,681	5,096,383	11,320,064
	P8,074,109	P2,012,250,143	P442,260,369	P2,462,584,621

*Excluding government payables and output VAT payable P=55,201,995

2024				
	On Demand	Due within 1 year	Due beyond 1 year but not more than 5 years	Total
<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 P=53,314,148.

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, 2025 and 2024, if the quoted stock price for the securities using PSE index had increased (decreased) by 5% and 14%, respectively, the Company's total equity would have been higher (lower) by about P57.36 million and P132.96 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.

25. Capital Management

The rollforward analysis of the number of Company's authorized and subscribed shares of stock with par value of ₱1 follows:

	2025	2024
Authorized capital stock – ₱1 par value		
Balance at beginning and end of year	160,000,000	160,000,000
Subscribed shares		
Balance at beginning of year	68,240,000	68,240,000
Add: Subscriptions during the year	91,760,000	–
Balance at end of year	160,000,000	68,240,000

a. Subscription and Paid-up Capital Stock

The details of subscribed and paid-up capital stock are shown below:

	Note	2025	2024
Subscribed capital:			
Balance at beginning of year		₱68,240,000	₱68,240,000
Add: Subscriptions during the year		91,760,000	–
Less: Subscription receivable		15,000,000	15,000,000
Paid-up capital		₱145,000,000	₱53,240,000

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, 2025 and 2024:

	2025	2024
Capital stock	₱145,000,000	₱53,240,000
Additional paid-in capital	59,644,000	–
Cumulative fair value loss on equity instruments at FVOCI	10,739,510	(8,016,104)
Cumulative remeasurement loss	(4,506,216)	(3,735,036)
Retained earnings	231,763,031	63,062,489
	₱442,640,325	₱104,551,349

b. Retained Earnings Available for Dividend Declaration

The rollforward analysis of retained earnings available for dividend declaration as at December 31, 2025 and 2024 follows:

	2025	2024
Unappropriated retained earnings as a beginning of year	63,062,489	36,402,746

Adjustments for:		
Deferred tax asset, beginning	(2,428,921)	(2,482,308)
Adjusted Available retained earnings as at beginning of year, as adjusted	60,633,568	33,920,438
Add: Net profit during the reporting year	168,700,542	26,659,743
Less: Increase in FV of investment property	113,541,121	—
Adjustments for:		
Net movement of deferred tax assets	(351,510)	53,387
Total available retained earnings, ending	115,441,479	60,633,568
Less: Total paid-in capital	204,644,000	53,240,000
Retained earnings is higher (lower) over paid-in capital	(89,202,521)	7,393,568

26. 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 2025 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 Accounting Standards:

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

	Net sales/receipts	Output VAT
Service income	₱1,363,001,921	₱163,560,231

b. Input VAT

Balance at beginning of year	₱—
Current year's domestic purchases:	
Services lodged under other accounts	4,181,367
Goods other than for resale or manufacture	36,133,001
Less: Applied to output VAT	(40,314,368)
Balance at end of year	₱—

c. Taxes and licenses

Business permit	₱2,850,053
Real property tax	292,540
	₱3,142,593

d. Withholding taxes

The amount of withholding taxes paid or accrued in 2025 follow:

Expanded withholding taxes	₱17,276,308
Tax on compensation and benefits	1,266,437
	₱18,542,745

- e. The Company has no transactions in 2025 that were subject to the following taxes:
 - Customs duties and tariff fees
 - Excise taxes
 - Capital gains tax
 - Final withholding tax

- f. The Company has no final tax assessments and cases pending before the Bureau of Internal Revenue (BIR) as at December 31, 2025. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2025.