GOLDEN FUTURE
LIFEPLANS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **Goldenfuture Life Plans, Inc.** (the Company) 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 **Goldenfuture Life Plans, Inc.** (the Company) are 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 Bank's books and records in accordance with the requirements of Revenue Regulations No.8-2007 and other relevant issuances;

(c) **Goldenfuture Life Plans, Inc.** (the Company) 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.

JERRY M. NAVARRETE
President

ESTRELLITA S. TAN
Chief Operating Officer

Signed this 30th day of April 2026

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Certified Public Accountants to Accompany Income Tax Return

The Board of Directors
Goldenfuture Life Plans, Inc.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
San Ezekiel, C5 Extension
Las Piñas City

We have audited the financial statements of Goldenfuture Life Plans, Inc. (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 30, 2026.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

PUNONGBAYAN & ARAULLO

By: **Jonavell B. Santiago**
Partner

CPA Reg. No. 0154806
TIN 443-050-313
PTR No. 10770775, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 154806-SEC (until financial period 2029)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-049-2023 (until November 14, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-023 (until August 12, 2027)

April 30, 2026

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors
Goldenfuture Life Plans, Inc.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
San Ezekiel, C5 Extension
Las Piñas City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Goldenfuture Life Plans, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the financial reporting standards in the Philippines for pre-need companies as described in Note 2 to the financial statements.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting standards in the Philippines for pre-need companies as described in Note 2 to the financial statements, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities 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 auditors' 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 PSA will always detect a material misstatement when it exists. Misstatements 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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 Company'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 of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As disclosed in Note 23 to the financial statements, the Company presented the supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with the financial reporting standards in the Philippines for pre-need companies. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the 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 a whole.

PUNONGBAYAN & ARAULLO

By: Jonavell B. Santiago
Partner

CPA Reg. No. 0154806
TIN 443-050-313
PTR No. 10770775, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 154806-SEC (until financial period 2029)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-049-2023 (until November 14, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-023 (until August 12, 2027)

April 30, 2026

GOLDENFUTURE LIFE PLANS, INC.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes		2025		2024
A S S E T S					
CURRENT ASSETS					
Cash	4	**P**	**49,372,048**	P	35,230,149
Receivables	5, 8		**1,559,983**		9,612,121
Prepayments and other current assets	7		**2,396,464**		464,330
Total Current Assets			**53,328,495**		45,306,600
NON-CURRENT ASSETS					
Investments in trust fund	8		**135,932,148**		100,176,462
Investments in insurance premium fund	8		**2,400,051**		2,400,051
Investment properties	6		**106,431,803**		106,431,803
Property and equipment - net	9		**840,821**		1,329,292
Right-of-use asset - net	10		**-**		2,398,702
Total Non-current Assets			**245,604,823**		212,736,310
TOTAL ASSETS		**P**	**298,933,318**	P	258,042,910
L I A B I L I T I E S AND E Q U I T Y					
CURRENT LIABILITIES					
Trade and other payables	11	**P**	**11,799,303**	P	11,620,963
Lease liability	10		**-**		580,847
Total Current Liabilities			**11,799,303**		12,201,810
NON-CURRENT LIABILITIES					
Planholders' deposits	12		**1,248,207**		1,322,381
Pre-need and insurance premium reserves	8		**67,817,694**		53,181,848
Lease liability	10		**-**		2,191,746
Total Non-current Liabilities			**69,065,901**		56,695,975
Total Liabilities			**80,865,204**		68,897,785
EQUITY					
Capital stock	17		**125,000,000**		125,000,000
Deposit on future stock subscription	2, 6		**26,431,803**		26,431,803
Revaluation reserves	8		**931,903**		335,555
Retained earnings	8		**65,704,408**		37,377,767
Total Equity			**218,068,114**		189,145,125
TOTAL LIABILITIES AND EQUITY		**P**	**298,933,318**	P	258,042,910

See Notes to Financial Statements.

GOLDENFUTURE LIFE PLANS, INC.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
PREMIUM REVENUE	8	**P 61,873,200**	P 55,691,327
COSTS AND EXPENSES	13		
General and administrative expenses		**28,449,402**	33,834,697
Cost of plan contracts issued		**14,755,205**	22,692,088
		43,204,607	56,526,785
OPERATING INCOME (LOSS)		**18,668,593**	(835,458)
OTHER INCOME (CHARGES)			
Trust fund income	8	**5,358,784**	5,229,610
Interest income	4, 8	**5,017,624**	5,199,617
Interest expense	10	**(51,096)**	(174,329)
Miscellaneous	10	**556,259**	78,592
		10,881,571	10,333,490
PROFIT BEFORE TAX		**29,550,164**	9,498,032
TAX EXPENSE	15	**1,223,524**	534,042
NET INCOME		**28,326,640**	8,963,990
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified subsequently to profit or loss			
Fair value gains (losses) on financial assets at fair value through comprehensive income	8	**596,348**	(196,260)
TOTAL COMPREHENSIVE INCOME		**P 28,922,988**	P 8,767,730

See Notes to Financial Statements.

GOLDENFUTURE LIFE PLANS, INC.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Capital Stock (see Note 17)	**Deposit on Future Stock Subscription** (see Note 2, 6)	**Revaluation Reserves** (see Note 8)	**Retained Earnings** (see Note 8)			**Total Equity**
				Appropriated	**Unappropriated**	**Total**	
Balance at January 1, 2025	P 125,000,000	P 26,431,803	P 335,555	P 8,588,683	P 28,789,084	P 37,377,767	P 189,145,125
Total comprehensive income for the year	-	-	596,348	5,358,784	22,967,857	28,326,641	28,922,989
Balance at December 31, 2025	**P 125,000,000**	**P 26,431,803**	**P 931,903**	**P 13,947,467**	**P 51,756,941**	**P 65,704,408**	**P 218,068,114**
Balance at January 1, 2024	P 125,000,000	P 26,431,803	P 531,815	P 3,359,073	P 25,054,704	P 28,413,777	P 180,377,395
Total comprehensive income for the year	-	-	(196,260)	5,229,610	3,734,380	8,963,990	8,767,730
Balance at December 31, 2024	P 125,000,000	P 26,431,803	P 335,555	P 8,588,683	P 28,789,084	P 37,377,767	P 189,145,125

See Notes to Financial Statements.

GOLDENFUTURE LIFE PLANS, INC.
(A Wholly Owned Subsidiary of Fine Properties, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**P 29,550,164**	P 9,498,032
Adjustments for:			
Trust fund income	8	**(5,358,784)**	(5,229,610)
Interest income	4, 8	**(5,017,624)**	(5,199,617)
Depreciation and amortization	9, 10	**963,289**	2,366,322
Gain on pretermination of lease	10	**(368,433)**	-
Interest expense	10	**51,096**	174,329
Operating profit before working capital changes		**19,819,708**	1,609,456
Decrease (increase) in receivables		**(65,743)**	34,907
Decrease (increase) in prepayments and other current assets		**(189,782)**	242,439
Increase (decrease) in trade and other payables		**178,340**	(1,474,816)
Increase (decrease) in planholders' deposits		**(74,174)**	416,650
Increase in pre-need and insurance premium reserves		**14,635,847**	22,569,048
Cash generated from operations		**34,304,196**	23,397,684
Interest income received	4, 8	**5,017,624**	5,199,617
Cash paid for income taxes		**(2,965,876)**	(809,393)
Net Cash From Operating Activities		**36,355,944**	27,787,908
CASH FLOWS FROM INVESTING ACTIVITIES			
Contributions to the trust fund and insurance premium fund	8	**(33,192,616)**	(34,077,693)
Withdrawals from trust fund	8	**11,509,943**	-
Acquisitions of property and equipment	9	**(290,302)**	(219,756)
Cash Used in Investing Activities		**(21,972,975)**	(34,297,449)
CASH FLOW FROM A FINANCING ACTIVITY			
Payments of lease liability	10	**(241,070)**	(723,210)
NET INCREASE (DECREASE) IN CASH		**14,141,899**	(7,232,751)
CASH AT BEGINNING OF YEAR		**35,230,149**	42,462,900
CASH AT END OF YEAR		**P 49,372,048**	P 35,230,149

Supplemental Information on Non-cash Financing Activities –
In 2025, the Company derecognized its right-of-use assets and lease liability arising from pre-termination of lease agreement amounting to P2,214,186 and P2,582,619, respectively which resulted in a gain on pretermination of lease amounting to P368,433 (see Note 10). There was no similar transaction in 2024.

See Notes to Financial Statements.

GOLDENFUTURE LIFE PLANS, INC.
(*A Wholly Owned Subsidiary of Fine Properties, Inc.*)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Company Information

Goldenfuture Life Plans, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 22, 2016, primarily to engage in the business of organizing, establishing, developing, conducting, maintaining, operating and selling of pre-need life plans, to be delivered in the future to plan holders, subscribers, purchasers and their assignees, and/or arrangements for funeral or memorial services and merchandise, or articles of all kinds and descriptions necessary or pertinent thereto and all types of funeral merchandise, equipment and/or services pertaining to the funeral business, to provide funeral or memorial services involving the care of the remains of the deceased. The Company started its commercial operations on August 19, 2019.

The Company is a wholly owned subsidiary of Fine Properties, Inc. (FPI or the parent company). FPI is a holding entity incorporated in the Philippines.

The registered office address of the Company is at San Ezekiel, C5 Extension, Las Piñas City. The parent company's registered office and principal place of business is located at LGF Building B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City.

1.2 Pre-need Code of the Philippines

On December 3, 2009, the President of the Philippines signed into law Republic Act (R.A.) No. 9829, otherwise known as the *Pre-need Code of the Philippines* (the Pre-need Code). The Pre-need Code transfers the primary and exclusive supervision and regulation of pre-need companies from the SEC to the Insurance Commission (IC) and vested the IC, among others, the powers and functions to:

(i) approve, amend, renew or deny any license, registration or certificate issued;

(ii) regulate, supervise and monitor the operations and management of pre-need companies;

(iii) take over pre-need companies which fail to comply with the Pre-need Code, related laws, rules, regulations and orders issued through the Pre-need Code; and,

(iv) formulate policies and recommendations on issues concerning the pre-need industry, including proposed legislations.

1.3 Approval of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2025 (including the comparative financial statements as of and for the year ended December 31, 2024) were authorized and approved for issue by the Company's Board of Directors (BOD) on April 30, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied during the period, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Financial Reporting Standards in the Philippines for Pre-need Companies

The financial statements of the Company have been prepared in accordance with the financial reporting standards in the Philippines for pre-need companies, which include Philippine Financial Reporting Standards (PFRS Accounting Standards), and the guidelines in determining reserves and liabilities relating to pension, educational and life plans and contracts, and financial statements presentation using the Pre-need Uniform Chart of Accounts (PNUCA) as required by the SEC, which is now adopted by the IC. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income, expenses and other comprehensive income or loss in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or make a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos (PHP), the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2025 that are not Relevant to the Company

The amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

(b) Effective Subsequent to 2025 but not Adopted Early

There are new amendments to existing standards effective for annual periods subsequent to 2026, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Company's financial statements:

(i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026).

(ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

(a) Financial Assets

(i) Classification, Measurement and Reclassification of Financial Assets

The Company's financial assets include financial assets at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Financial Assets at Amortized Cost

The Company's financial assets categorized as amortized cost are presented as Cash, Receivables (except advances to employees), Prepayments and Other Current Assets (with respect to refundable deposit), and Investments in Trust Fund and Insurance Premium Fund (with respect to cash and cash equivalents, loans and receivables, and financial assets at amortized cost) in the statement of financial position.

For purposes of cash flows reporting and presentation, cash generally includes cash on hand and in banks, which are subject to insignificant risk of changes in value.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as financial assets at FVOCI; however, such designation is not permitted if the equity investment is held by the Company for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Company has designated debt instruments under its trust fund as financial assets at FVOCI.

Interest income on financial assets measured at amortized cost and debt securities measured at FVOCI is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Company calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

The Company recognizes lifetime ECL for receivables. The ECL on these assets are estimated by applying the simplified approach using a provision matrix developed based on the Company's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

For debt instruments measured at FVOCI, the Company uses external benchmarking approach to calculate ECL. The provision rates are derived from published global credit ratings by external rating agencies, e.g., Standard & Poors credit rating, Moody's Credit Review, etc. As referenced to these external credit benchmarks, the Company defines the credit ratings based on internal default experience, and appropriately determines the equivalent internal credit ratings.

Referenced probability of default is then derived from the latest annual global corporate default study published by the external rating agency. The Company makes an annual re-assessment of the applicability and reliability of the reference rates used.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial asset, irrespective of the timing of the default. However, if the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period. The Company determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that may indicate an actual or expected deterioration of the credit quality of the financial assets.

(b) Financial Liabilities

Financial liabilities, which include trade and other payables (except tax-related liabilities), accrued trust fees and other expenses (recognized as part of Investments in Trust Fund account) and lease liability are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as part of Interest Expense in the statement of comprehensive income.

Except for lease liability (see Note 10.2), all financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, using the effective interest method for those with maturities beyond one year, less settlement payments.

2.4 Investment Properties

Investment property, which pertains to memorial lots, is stated at cost less any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working conditions for its intended use.

2.5 Property and Equipment

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

Depreciation for office equipment, furniture and fixtures and service vehicle are computed on a straight-line basis over the estimated useful lives of the assets of five years.

Leasehold improvements are amortized over their estimated useful lives of five years or over the term of the lease, whichever is shorter.

2.6 Pre-Need and Insurance Premium Reserves

Pre-need reserves (PNR) are recognized for all pre-need benefits guaranteed and payable by the Company as defined in the pre-need life plan contracts.

PNR for life plans are determined using the requirements on provisioning under PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, and the specific method of computation required by the IC as described below.

The amount recognized as a provision to cover the PNR is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision.

PNR is computed based on the following considerations:

i. On Actively Paying Plans

Provision is equivalent to the present value of future plan benefits reduced by the present value of future trust fund contributions required per product model discounted using a 6% discount rate which may be higher than the attainable rate as certified by the Trustee.

ii. On Lapsed Plans

Provision is equivalent to the present value of future plan benefits reduced by the present value of future trust fund contributions at lapse date, multiplied by the reinstatement rate.

iii. On Fully Paid Plans

Provision is equivalent to the present value of future plan benefits discounted using the rate prescribed by the IC.

iv. Future events that may affect the foregoing amounts are reflected in the amount of the provision for PNR where there is sufficient objective evidence that they will occur.

v. The rates of surrender, cancellation, reinstatement, utilization, and inflation, when applied, represent the actual experience of the Company in the last three years, or the industry, in the absence of a reliable experience.

vi. The probability of pre-termination or surrender of fully paid plans are considered in determining the PNR of fully paid plans. A pre-termination experience on fully paid plans is zero and are considered insignificant. In such cases, derecognition of liability shall be recorded at pre-termination date.

The computation of the foregoing assumptions is validated and certified by the IC-accredited actuary of the Company.

Any excess in the amount of the trust fund as a result of the revised reserve requirement shall neither be released from the fund nor be credited/set-off to future required contributions.

The Company also sets up other provisions in accordance with PAS 37 to cover its obligations such as insurance premium reserves (IPR). IPR is the present value of all insurance premiums payable to the insurance company. Similar to PNR, the calculation uses the same actuarial assumptions and considers the portion of the future instalments allotted for insurance expenses.

2.7 Revenue and Expense Recognition

The Company's revenues arising from its pre-need contracts are recognized based on PNUCA as required by the IC, while interest income (from cash in banks and interest earned on collections from installment basis policies) and trust fund income are accounted for under PFRS 9 (see Note 2.3).

In addition, premiums from sale of pre-need plans shall be recognized as earned when collected, inclusive of advance premium payments. When premiums are recognized as income, the related cost of contracts shall be computed and recognized, with the result that the benefits and expenses are matched with such revenue.

Income generated by the trust fund is included in Investments in Trust Fund and Insurance Premium Fund accounts in the statement of financial position and credited to Trust Fund Income account in the statement of comprehensive income except for the fair value gains or losses on FVOCI securities of the trust fund which is recognized as part of Revaluation Reserves under equity section of the statement of financial position.

The trust fund income is restricted and cannot be distributed as dividends as discussed in Note 8.2. It is, therefore, not part of the Company's disbursable operating receipts.

Other costs and expenses are recognized in profit or loss upon utilization of the goods and services or at the date they are incurred. Finance costs are reported on an accrual basis.

2.8 Leases – Company as a Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use asset and lease liability have been presented separately from all other assets and liabilities accounts.

2.9 Equity

Revaluation reserves pertain to accumulated unrealized fair value gains or losses on financial assets at FVOCI.

Appropriated retained earnings represent the accumulated trust fund income that is automatically restricted to payments of benefits of planholders and related payments as required in the amended PNUCA.

Deposit on future stock subscription refers to the amount of money or property received by the Company with the purpose of applying the same as payment for future issuance of stock. Under relevant SEC rules, the Company shall recognize the deposit on future stock subscription as part of the equity if all of the criteria are met at the end of the reporting period:

- lack or insufficiency of authorized unissued shares of stock to cover for the deposit;
- approval by the Company's BOD and stockholders for the increase in authorized capital stock to cover the shares corresponding to the amount of the deposit; and,

- application for the approval of the increase in authorized capital stock has been presented for filing or has been filed with the SEC.

In the case of the Company, its unissued shares are adequate for the amount of deposit on future stock subscription, however, the related shares have not yet been issued. Accordingly, the amount remains as deposit on future stock subscription under Equity section in the statement of financial position.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with the financial reporting standards in the Philippines for pre-need companies requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/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 of office spaces, the factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company did not include the renewal period as part of the lease term for leases of office spaces because the terms are renewable upon the mutual agreement of the parties.

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 Company.

(b) Evaluation of Business Model Applied in Managing Financial Instruments

The Company, through its trustee bank, developed business models which reflect how it manages its portfolio of financial instruments under the trust fund. The Company's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Company) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Company evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Company (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Company's investment and trading strategies.

(c) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets under PFRS 9, the Company assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Company assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion.

The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Company considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Company considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessary inconsistent with a held-to-collect business model if the Company can explain the reasons for those sales and why those sales do not reflect a change in the Company's objective for the business model.

(d) *Distinction Between Investment Property and Owner-managed Property*

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Management assessed that the Company's memorial lots should be classified as investment property (see Note 6).

(e) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 22.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows.

(a) *Determination of Appropriate Discount Rate in Measuring Lease Liability*

The Company measures its lease liability at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the lease, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) *Estimation of Allowance for Expected Credit Loss (ECL)*

The measurement of the allowance for ECL on financial assets at amortized cost and at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 18.2.

(c) *Estimation of Pre-need Reserves for Life Plans*

The Company's actuary used certain assumptions and estimates in computing the amount of PNR on life plans. The determination of PNR for life plans is based on the guidelines issued by the IC to reflect the Company's own experience. The risks and uncertainties that inevitably surround many events and circumstances were taken into account in reaching the best estimate.

Consequently, the assumptions used by the actuary in computing the PNR may vary as a result of changes in economic condition, the Company's operating results and other factors.

The assumptions and amount of liability recognized by the Company as at December 31, 2025 and 2024 are disclosed in Note 8.4.

(d) Fair Value Measurement for Financial Assets

Management, in coordination with the trustee bank, applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available.

This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

The carrying values of the Company's financial assets at FVOCI (included under Investments in Trust Fund) and the amounts of fair value changes recognized on those assets are disclosed in Note 8.2.

(e) Determining Fair Value of Investment Property

The Company's investment property pertains to memorial lots, which are carried at cost at the end of the reporting period. However, the accounting standards require the disclosure of the fair value of the investment property. In determining the fair value of this asset, the Company uses market comparable approach that reflects the recent transaction prices for similar properties in nearby locations.

(f) Estimation of Useful Lives of Property and Equipment and Right-of-use Asset

The Company estimates the useful lives of property and equipment and right-of-use asset based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use asset are reviewed periodically and are 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 assets.

The carrying amounts of property and equipment and right-of-use asset are analyzed in Notes 9 and 10.1, respectively. Based on management's assessment as at December 31, 2025 and 2024, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(g) Impairment of Non-financial Assets

The Company's property and equipment, right-of-use asset, investment properties, and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment losses were necessary to be recognized on the Company's non-financial assets for the year ended December 31, 2025 and 2024.

(h) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount 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. As at December 31, 2025 and 2024, management assessed that the deferred tax assets may not be utilized in the coming years. Accordingly, no deferred tax assets are recognized as at December 31, 2025 and 2024 (see Note 15).

4. CASH

Cash includes the following components as at December 31:

(Amounts in PHP)	**2025**	2024
Cash on hand	**380,001**	190,395
Cash in bank	**48,992,047**	35,039,754
	49,372,048	35,230,149

Cash in banks generally earns interest at rates based on daily bank deposit rates. Interest income earned on cash in banks amounting to P1,725,686 and P1,364,456 in 2025 and 2024, respectively, is presented as part of Interest Income in the statements of comprehensive income.

5. RECEIVABLES

Receivables include the following components as at December 31:

(Amounts in PHP)	Note	**2025**	2024
Receivable from trustees	8.2	**1,216,615**	9,334,496
Receivables - employees		**343,368**	277,625
		1,559,983	9,612,121

Receivable from trustees pertains to the accumulated memorial service benefits advanced by the Company from corporate funds. These receivables are accounted for as reduction to the trust fund (see Note 8.2). Advances to employees are cash advances made by employees for the projects of the Company subject to liquidation of expenses incurred.

The Company's receivables have been assessed for impairment. Management considers that all of its receivables are fully collectible; hence, no impairment loss is required to be recognized in 2025 and 2024.

6. INVESTMENT PROPERTIES

On December 6, 2016, FPI purchased 1,245,000 shares of stock for a total subscription price of P124,500,000. FPI paid P44,500,000 in cash and assigned 1,200 memorial lots to the Company with a fair value of P106,431,803, of which P80,000,000 was applied as payment to subscription of shares and the remaining P26,431,803 is presented as Deposit on Future Stock Subscription as per subscription agreement.

None of the Company's investment properties have generated rental income. There was also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods (see Note 20.4).

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of the following as at December 31:

(Amounts in PHP)	**2025**	2024
Prepaid income taxes	**2,159,994**	143,008
Prepaid expenses	**151,470**	236,322
Refundable deposits	**85,000**	85,000
	2,396,464	464,330

8. PREMIUM REVENUE, INVESTMENTS IN TRUST FUND, INVESTMENTS IN INSURANCE PREMIUM FUND, AND PRE-NEED AND INSURANCE PREMIUM RESERVES

8.1 Premium Revenue

In 2025 and 2024, total premium collections amounted to P61,873,200 and P55,691,327, respectively, and are presented as Premium Revenue in the statements of comprehensive income. In addition, the total interest income derived from the premium revenue amounted to P3,291,938 and P3,835,161 for 2025 and 2024, respectively, and are presented as part of Interest Income in the statements of comprehensive income.

8.2 Investments in Trust Fund

In accordance with the IC requirements, the Company has established a trust fund, which is being administered by a local bank under trust agreement for the fulfilment of the Company's obligations under the pre-need plans covering Life Plans. The trust fund is maintained to cover the actuarially determined contractual liabilities for the PNR of life plans in compliance with the rules and regulations of the IC.

The underlying assets and liabilities of the trust fund are recognized and measured in accordance with the applicable financial reporting standards. The balance of the trust fund as at December 31, 2025 and 2024 represents the trust fund contributions, net of withdrawals for payments under the plans. Deposits are being made based on the applicable provisions of the Pre-need Code in an amount determined by the accredited actuary sufficient to pay the benefits promised under the contract.

In compliance with the rules of the IC and in accordance with the terms of the trust agreement, withdrawals from the trust fund are limited to, among others, payment of pre-need plan benefits, bank charges and investment expenses in the operation of the trust fund, termination value payable to plan holders and final taxes on investment income of the trust funds.

The details of the Investments in Trust Fund account as at December 31, 2025 and 2024 as reported in the statements of financial position are shown below.

(Amounts in PHP)	**2025**	2024
Assets:		
Cash and cash equivalents	**5,041,248**	16,003,574
Financial assets at FVTPL –		
Equity securities	**53,158,016**	38,244,135
Financial assets at FVOCI –		
Debt securities	**72,323,473**	52,680,318
Financial assets at amortized cost	**5,427,520**	3,872,901
Loans and receivables	**1,593,860**	1,018,852
	137,544,117	111,819,780
Liabilities –		
Accrued trust fees and other expenses	**(395,354)**	(2,308,822)
	137,148,763	109,510,958
Equity		
Fund balance at beginning of year	**109,510,958**	70,930,182
Contributions during the year	**33,192,616**	33,547,426
Withdrawals during the year	**(11,509,943)**	-
Earnings for the year	**5,358,784**	5,229,610
Fund balance at end of year	**136,552,415**	109,707,218
Fair value gain (losses) during the year	**596,348**	(196,260)
	137,148,763	109,510,958

Investment in trust fund is presented in the statements of financial position as follows:

(Amounts in PHP)	Note	**2025**	2024
Receivables from trustees	5	**1,216,615**	9,334,496
Investment in trust fund		**135,932,148**	100,176,462
		137,148,763	109,510,958

Financial assets at FVOCI consists of government bonds and treasury bills which have annual interest rates ranging from 2.88% to 9.25% both in 2025 and 2024. Income earned, net of expenses incurred, amounted to P5,358,784 and P5,229,610 in 2025 and 2024, respectively, and is presented as Trust Fund Income under Other Income (Charges) account in the statements of comprehensive income.

Presented below is the income statement of Investment in Trust Fund account for the year ended December 31, 2025 and 2024.

(Amounts in PHP)	**2025**	2024
Interest income:		
Deposit in banks	**450,270**	523,226
Financial assets at FVOCI –		
Debt securities	**4,299,754**	3,013,598
	4,750,024	3,536,824
Fair value gains:		
Financial assets at FVTPL –		
Equity securities	**13,683**	1,308,166
Other income	**1,753,087**	1,231,350
Total income	**6,516,794**	6,076,340
Expenses:		
Withholding tax expense – interest	**1,005,707**	113,855
Trust fees	**155,469**	724,323
Provision for expected credit losses	**(5,716)**	4,352
Miscellaneous expenses	**2,550**	4,200
	1,158,010	846,730
Net income	**5,358,784**	5,229,610

Contributions are being made based on the applicable provisions on the Pre-need Code which requires the Company to make monthly deposits to the trust fund in an amount determined by the accredited actuary, sufficient to pay the benefits promised under the contract.

The amended PNUCA requires that no part of income from trust fund placements can be used to pay dividends to stockholders. Accordingly, the income earned, net of expenses incurred, is transferred to Appropriated Retained Earnings account in the statements of changes in equity.

8.3 Investments in Insurance Premium Fund

The Company restricted its cash in banks amounting to P2,400,051 for both 2025 and 2024 to cover the payment of insurance premiums after the paying period of the pre-need plan and is presented as Investments in Insurance Premium Fund in the statements of financial position.

Presented below is the reconciliation of the Company's Investments in Insurance Premium Fund.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**2,400,051**	1,869,784
Contributions during the year	**-**	530,267
Balance at end of year	**2,400,051**	2,400,051

8.4 Pre-need and Insurance Premium Reserves

This account consists of the following as at December 31 (see Note 13.2):

(Amounts in PHP)	**2025**	2024
Pre-need reserves	**63,344,966**	49,463,039
Administration reserves (AR)	**3,752,931**	3,114,266
Insurance premium reserves	**719,797**	604,543
	67,817,694	53,181,848

The required PNR, AR and IPR are based on the Actuarial Valuation Report issued by an independent actuary on the trust and insurance premium funds as at December 31, 2025 and 2024. AR is set-up to cover the general administrative expenses after the paying period.

The actual trust fund balance shall be the trust fund balance (as reported by the trustee) at the end of the year, net of any receivables by the pre-need company from the trustee for contractual benefits outstanding as of the end of the year. The trust fund is sufficient to cover the required reserves as at December 31, 2025 and 2024.

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the end of 2025 and 2024 is presented below.

(Amounts in PHP)	**Office Equipment**	**Leasehold Improvements**	**Furniture and Fixtures**	**Service Vehicle**	**Total**
December 31, 2025					
Cost	9,055,054	320,000	161,022	1,233,730	10,769,806
Accumulated depreciation and amortization	(8,575,454)	(320,000)	(108,234)	(925,297)	(9,928,985)
Net carrying amount	**479,600**	**-**	**52,788**	**308,433**	**840,821**
December 31, 2024					
Cost	8,764,753	320,000	161,022	1,233,730	10,479,505
Accumulated depreciation and amortization	(8,069,823)	(320,000)	(81,839)	(678,551)	(9,150,213)
Net carrying amount	694,930	-	79,183	555,179	1,329,292
January 1, 2024					
Cost	8,624,180	320,000	81,839	1,233,730	10,259,749
Accumulated depreciation and amortization	(6,528,447)	(298,167)	(79,019)	(431,805)	(7,337,438)
Net carrying amount	2,095,733	21,833	2,820	801,925	2,922,311

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2025 and 2024 is shown below.

(Amounts in PHP)	Office Equipment	Leasehold Improvements	Furniture and Fixtures	Service Vehicle	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	694,930	-	79,183	555,179	1,329,292
Additions	290,302	-	-	-	290,302
Depreciation and amortization charges for the year	(505,632)	-	(26,395)	(246,746)	(778,773)
Balance at December 31, 2025, net of accumulated depreciation and amortization	**479,600**	**-**	**52,788**	**308,433**	**840,821**
Balance at January 1, 2024, net of accumulated depreciation and amortization	2,095,733	21,833	2,820	801,925	2,922,311
Additions	140,573	-	79,183	-	219,756
Depreciation and amortization	(1,541,376)	(21,833)	(2,820)	(246,746)	(1,812,775)
Balance at December 31, 2024, net of accumulated depreciation and amortization	694,930	-	79,183	555,179	1,329,292

The amount of depreciation and amortization charges is presented as part of Depreciation and Amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 13.1).

The cost of fully depreciated assets that are still in use amounted to P2,708,030 and P1,500,575 as of December 31, 2025 and 2024, respectively.

10. LEASES

The Company had only one lease agreement which was reflected in the 2024 statement of financial position as a right-of-use asset and a lease liability.

In 2025, the Company terminated this lease agreement. Accordingly, the related right-of-use asset and lease liability were derecognized in the books.

10.1 Right-of-use Asset

The gross carrying amounts and accumulated amortization of right-of-use asset at the beginning and end of 2025 and 2024 are shown below.

(Amounts in PHP)	Note	2025	2024
Cost			
Balance at beginning of year		**5,535,467**	5,535,467
Derecognition of right-of-use		**(5,535,467)**	**-**
Balance at end of year		**-**	5,535,467
Accumulated amortization			
Balance at beginning of year		**3,136,765**	2,583,218
Amortization for the year	13.1	**184,516**	553,547
Derecognition of right-of-use		**(3,321,281)**	-
Balance at end of year		**-**	3,136,765
		-	2,398,702

10.2 Lease Liability

Lease liability is presented in the 2024 statement of financial position as follows:

(Amounts in PHP)	2024
Current	580,847
Non-current	2,191,746
	2,772,593

Presented below is the reconciliation of the Company's lease liabilities arising from financing activity.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**2,772,593**	3,321,474
Cash flows from financing activity –		
Repayment of lease liability	**(241,070)**	(723,210)
Non-financing activity –		
Amortization of interest	**51,096**	174,329
Derecognition of liability	**(2,582,619)**	-
	-	2,772,593

In 2025, the Company derecognized its right-of-use asset and lease liability arising from pre-termination of lease amounting to P2,214,186 and P2,582,619, respectively, which resulted in a gain on pretermination of lease amounting to P368,433, and is presented as part of Miscellaneous under Other Income (Charges) account in the 2025 statement of comprehensive income. There was no similar transaction in 2024.

The lease liability is secured by the related underlying asset. The undiscounted maturity analysis of lease liability as at December 31, 2024 (nil as at December 31, 2025) is as follows:

(Amounts in PHP)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
December 31, 2024						
Lease payments	723,210	723,210	723,210	723,210	241,070	3,133,910
Finance charges	(142,363)	(108,536)	(72,739)	(34,856)	(2,823)	(361,317)
Net present values	580,847	614,674	650,471	688,354	238,247	2,772,593

10.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis.

Expenses incurred on short-term leases amounted to P215,144 and P63,245 in 2025 and 2024 respectively (see Note 13.1).

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of lease amounted to P241,070 and P723,210 in 2025 and 2024, respectively. Interest expense in relation to lease liability amounted to P51,096 and P174,329 in 2025 and 2024 respectively, are presented as Interest Expense in the statements of comprehensive income.

11. TRADE AND OTHER PAYABLES

As of December 31, this account consists of:

(Amounts in PHP)	**2025**	2024
Trade payables	**4,407,299**	6,239,515
Accrued expenses	**4,433,760**	1,809,923
Taxes and government dues	**1,115,569**	1,839,771
Other payables	**1,842,675**	1,731,754
	11,799,303	11,620,963

Trade payables mainly represent obligations to various providers of goods and services necessary for the Company's operations, while accrued expenses pertain to accruals for audit fees, commissions, and other operating expenses. Taxes and government dues consist primarily of withholding taxes and output VAT payable. Other payables, on the other hand, represent unspecified deposits made by plan holders.

12. PLANHOLDERS' DEPOSIT

This account represents payments received from plan holders, which have not yet been recognized as revenue as the customers are yet to complete the required documentation. As at December 31, 2025 and 2024, the account has a balance of P1,248,207 and P1,322,381, respectively, and is presented under non-current liabilities in the statements of financial position.

13. COSTS AND EXPENSES

13.1 General and Administrative Expense

This account consists of the following:

(Amounts in PHP)	Notes	**2025**	2024
Salaries and employee benefits	14	**10,548,146**	12,792,048
Commission		**3,421,799**	5,228,089
Claims		**3,096,347**	2,625,922
Professional fees		**2,673,030**	2,031,952
Repairs and maintenance		**2,461,639**	2,669,381
Depreciation and amortization	9, 10.1	**963,289**	2,366,322
Utilities		**877,286**	905,486
Outside services		**875,046**	676,078
Insurance		**665,638**	566,458
Promotions		**379,024**	743,190
Taxes and licenses		**335,192**	321,908
Office supplies		**273,699**	356,830
Rent	10.3, 16.1	**215,144**	63,245
Advertising		**147,029**	306,890
Transportation and travel		**139,327**	302,288
Miscellaneous		**1,377,767**	1,878,610
		28,449,402	33,834,697

Commission expenses pertain to a percentage of premiums paid to sales agents who market the Company's products.

Miscellaneous includes collection fees, meetings and conferences, bank charges, dues and subscription, representation and other expenses.

13.2 Costs of Plan Contracts Issued

This account consists of the following:

(Amounts in PHP)	Note	**2025**	2024
Increase in pre-need and insurance premium reserves	8.4	**14,635,846**	22,569,048
Documentary tax		**119,359**	123,040
		14,755,205	22,692,088

14. SALARIES AND EMPLOYEE BENEFITS

The Company has only started its commercial operations on August 19, 2019 and no employees have yet to meet the five-year service which is required by R.A.7641, *Retirement Pay Law.*

The details of this account as at December 31 are presented below.

(Amounts in PHP)	Note	**2025**	2024
Salaries and wages		**7,089,629**	9,636,943
Employee benefits		**2,253,656**	1,793,349
Social security and other costs		**1,204,861**	1,361,756
	13.1	**10,548,146**	12,792,048

15. TAXES

15.1 Current and Deferred Taxes

The components of tax expense as reported in the statements of comprehensive income are as follows:

(Amounts in PHP)	**2025**	2024
Current tax expense		
Minimum corporate income tax (MCIT) at 2% in 2025	**878,387**	261,151
Final tax at 20%	**345,137**	272,891
	1,223,524	534,042

A reconciliation of tax on pre-tax income computed at the applicable statutory rates to tax expense reported in the profit or loss section of the statements of comprehensive income is presented below.

(Amounts in PHP)	**2025**	2024
Tax on pretax income at 25%	**7,387,541**	2,374,508
Adjustment for income subjected to lower income tax rate	**(86,285)**	(68,223)
Tax effects of:		
Actual contribution in trust funds	**(8,298,154)**	(8,386,856)
Application of net of operating loss carry-over (NOLCO)	**(3,950,768)**	-
Non-deductible expenses	**6,725,975**	2,547,998
Non-taxable income	**(1,339,696)**	(1,307,401)
Unrecognized deferred tax assets	**784,911**	5,374,016
Tax expense	**1,223,524**	534,042

The NOLCO incurred by the Company can be claimed as deductions from their respective future taxable profits within three to five years after the tax loss was incurred. Specifically, the NOLCO incurred in 2021 and 2020 can be claimed as deduction within five years after the year it was incurred, pursuant to Section 4 (b) of R.A. No. 11494, *Bayanihan to Recover as One Act* (otherwise known as Bayanihan II) and as implemented through Revenue Regulations (RR) No. 25-2020.

The breakdown of NOLCO and the corresponding periods of deductibility from future taxable profit are as follows:

(Amounts in PHP)

Year Incurred	Amount	Applied	Expired	Balance	Valid Until
2024	20,446,800	4,170,051	-	16,276,749	2028
2023	10,137,483	10,137,483	-	-	2027
2022	1,495,539	1,495,539	-	-	2025
2021	4,846,817	-	4,846,817	-	2025
	36,926,639	**15,803,073**	**4,846,817**	**16,276,749**	

The Company is subject to MCIT which is computed at 2% in 2025 and 2024, of gross income net of allowable deductions or to regular corporate income tax (RCIT), whichever is higher. In 2025 and 2024, the Company's MCIT is higher than RCIT. The unused MCIT that can be claimed as deduction from future taxable income are as follows:

(Amounts in PHP)

Year Incurred	Amount	Applied/ Expired	Balance	Valid Until
2025	878,387	-	878,387	2028
2024	261,151	-	261,151	2027
2023	322,545	-	322,545	2026
	1,462,083	**-**	**1,462,083**	

The Company did not recognize the deferred tax assets arising from the cumulative NOLCO amounting to P4,069,187 and P9,231,660 as at December 31, 2025 and 2024, respectively. The Company did not recognize the net deferred tax asset arising from MCIT in 2025 and 2024.

In 2025 and 2024, the Company opted to claim itemized deductions in computing for its income tax due.

16. RELATED PARTY TRANSACTIONS

The Company's related parties include its shareholders, its parent company, a related party under common control and key management personnel. The Company's outstanding receivables from and payables to related parties, if any, arising from lease of properties are unsecured, noninterest-bearing and settled in cash within 12 months.

16.1 Lease of Properties

In previous years, the Company has lease agreements with related parties under common ownership, for the lease of its office space which is renewable upon mutual consent of the parties. The long-term lease was terminated in 2025 (see Note 10). Also, the Company incurred rent expense for its short-term lease amounting to P215,144 and P63,245 and is presented as Rent under General and Administrative Expenses in the statements of comprehensive income (see Note 13.1). The Company has no outstanding balance as at December 31, 2025 and 2024.

16.2 Key Management Personnel and Compensation

In 2025 and 2024, the compensation of the key management personnel is covered by the parent company at no cost to the Company. This compensation are all short-term benefits.

17. CAPITAL STOCK

The Company's authorized capital stock consists of 5,000,000 common shares at P100 par value per share. As at December 31, 2025 and 2024, the number of total shares subscribed, issued and outstanding totaled 1,250,000 shares for a total amount of P125,000,000.

As at December 31, 2025 and 2024, the Company has six stockholders owning 100 or more shares each of the Company's capital stock.

18. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with its parent company, in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are discussed below and in the succeeding pages.

18.1 Interest Rate Risk

The Company's exposure to interest rate risk pertains to the fluctuations in interest rates of its cash and cash equivalents. To minimize the possible adverse effects of these fluctuations on the Company's profit and loss, only placements with interest rates that are within the prevailing market rates are pursued. Placements with interest rates which are significantly higher or lower than the prevailing market rates are not prioritized by the Company following the concept of risk and return trade-off.

The Company also maintains short-term placements on its trust fund account which is managed by a trustee bank (see Note 8.2). In addition, the Company has no long-term borrowings with variable or fixed interest rates as at December 31, 2025 and 2024. As such, the impact of interest rate changes is expected to be insignificant to the Company's operations.

Meanwhile, the Company's PNR is computed based on the attainable, reinstatement and other applicable rates; however, these rates are not sensitive to fluctuations as these are based on historical rate experience of the Company.

18.2 Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position (or in the detailed analysis provided in the notes to the financial statements), as summarized in the succeeding page.

(Amounts in PHP)	Notes	**2025**	2024
Cash in bank	4	**48,992,047**	35,039,754
Refundable deposit	7	**85,000**	85,000
Receivable from trustees	8.2	**1,216,615**	9,334,496
Investment in trust fund	8.2	**84,386,101**	73,575,645
Investment in insurance premium fund	8.3	**2,400,051**	2,400,051
		137,079,814	120,434,946

**Excluding financial assets at FVTPL*

The Company continuously monitors defaults of other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below.

(a) Cash

As part of Company policy, bank deposits are maintained with reputable financial institutions. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million, for every depositor or per banking institution.

The credit risk for cash in banks managed by the Company and those presented under Investments in Trust Fund account is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Receivables

The Company applies simplified approach in measuring ECL which uses a lifetime expected loss allowance for all receivables.

The expected loss rate is based on the payment profile of the counterparty for the period of 12 months before December 31, 2025 and 2024, and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the counterparty to settle the receivables. Management has assessed that no loss allowance is required to be recognized as at December 31, 2025 and 2024 (see Note 5).

(c) Refundable Deposit

Management does not expect significant credit risk on refundable deposit as the counterparty is a reputable entity, and the balance can be applied against future rental payments at the option of the Company.

(d) Debt Securities

Debt securities measured at FVOCI are considered to have low credit risk, and therefore, the loss allowance during the period is determined to be equivalent to 12 months ECL.

Management considered "low credit risk" for listed debt securities to be an investment grade rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Management assesses that loss allowance for debt securities, if any, are not significant as the counterparties are the government and reputable banks.

18.3 Liquidity Risk

The Company monitors the liquidity of its assets and matches the estimated maturity of its obligations in line with the Company's policy to maintain adequate liquidity at all times. This policy aims to honor all cash requirements on an ongoing basis and to avoid raising funds above market rates or through the forced sales of assets.

The Company maintains trust funds which are being administered by a local bank in accordance with the IC requirements to cover the PNR for life plans.

Except for lease liability (see Note 10.2), all of the Company's financial liabilities have contractual maturities of 6 to 12 months as at December 31, 2025 and 2024.

The details of financial liabilities as at December 31 are presented below.

(Amounts in PHP)	Notes	**2025**	2024
Trade and other payables	11	**10,683,734**	9,781,192
Accrued trust fees and other expenses*	8.2	**395,354**	2,308,822
Lease liability	10.2	**-**	3,133,910
		11,079,088	15,223,924

**Presented as part of Investments in Trust Fund.*

18.4 Insurance Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and, therefore, unpredictable.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographic location and type of industry covered. The Company manages this risk through the trust fund which is administered by a local bank.

This trust fund is at least equal or higher than the estimated liabilities. Also, the Company monitors the profile of its plan holders to ensure diversity with respect to age, lifestyle and other insurance risk factors.

19. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

19.1 Carrying Amounts and Fair Values

The financial assets and liabilities presented in the statements of financial position, including the trust fund account, are carried at amounts that are equal to their respective fair values. As per the requirements of PFRS 7, disclosures of fair value are not necessary when the carrying amount of a financial instrument is a reasonable approximation of its fair value. Accordingly, no such disclosures have been made for the aforementioned financial assets and liabilities.

See Note 2.4 for the description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 18.

19.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2025 and 2024 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Company's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balances.

20. FAIR VALUE MEASUREMENT AND DISCLOSURES

20.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

20.2 Financial Instruments Measured at Fair Value

Described in the below page are the information about how the fair values of the Company's classes of financial assets are determined.

(a) Equity Securities

As at December 31, 2025, instruments included in Level 1 comprise of equity securities classified as financial assets at FVTPL (see Note 8.2). These securities were valued based on their market prices quoted in the Philippine Stock Exchange (PSE) at the end of each reporting period.

(b) Debt Securities

Financial assets measured at fair value only pertains to government bonds and treasury bills classified as financial assets at FVOCI under Investments in Trust Fund account in the statements of financial position amounting to P72,323,473 and P52,680,318 as at December 31, 2025 and 2024, respectively (see Note 8.2). These debt securities are included in Level 1 as their prices are estimated by reference to quoted bid price in active market (i.e., Bloomberg Valuation) at the end of the reporting period.

There have been no transfers between Levels 1 and 2 in the reporting period.

The Company has no financial liabilities measured at fair value as at December 31, 2025 and 2024.

20.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

For the Company's financial assets and financial liabilities measured at amortized cost as at December 31, 2025 and 2024, management determined that their carrying amounts are equal to or approximate their fair values (see Note 19.1); hence, no further comparison between the carrying amounts and fair values, as well as fair value hierarchy, is presented.

Except for cash and investment in insurance premium fund which are included in Level 1 of the fair value hierarchy, all of the Company's financial assets and financial liabilities at amortized cost are included in Level 3.

20.4 Fair Value Measurement of Investment Properties

The Company's investment properties amounting to P106.43 million are categorized under Level 2 hierarchy of non-financial assets measured at cost as of December 31, 2025 and 2024.

The fair value of the Company's investment properties amounting to P302.83 million and P290.29 million as of December 31, 2025 and 2024 are derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Under this approach, when sales prices of comparable land in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2.

On the other hand, if the observable recent prices of the reference properties were adjusted for differences in key attributes such as property size, zoning, and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value.

There has been no change to the valuation techniques used by the Company during the year for its non-financial asset. Also, there were no changes made in the Level 2 classification in 2025 and 2024.

21. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure (i.e., equity and financial liabilities). The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's debt-to-equity ratio as of December 31 is shown below:

(Amounts in PHP)	**2025**	2024
Total liabilities	**80,865,204**	68,897,785
Total equity	**218,068,114**	189,145,125
	0.37 : 1.00	0.36 : 1.00

22. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. As at December 31, 2025 and 2024, management believes that losses, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

23. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page are the supplementary information which is required by the Bureau of Internal Revenue (BIR) under RR No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under financial reporting standards in the Philippines for pre-need companies.

23.1 Requirements Under RR No. 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are as follows:

(a) Output VAT

In 2025, the Company declared output VAT amounting to P4,125,150 levied on its receipts derived from selling of memorial (life) plans amounting to P34,376,252.

As at December 31, 2025, the Company has a net VAT payable amounting to P1,002,838 which is presented as part of Taxes and government dues in the Trade and Other Payables account in the 2025 statement of financial position.

(b) Input VAT

The movements in Input VAT in 2025 are summarized below *(Amounts in PHP).*

Balance at beginning of year	-
Purchase of goods other than capital good	80,145
Purchase of services	855,296
Applied against output VAT	(935,441)
Balance at end of year	-

(c) Taxes in Importation

In 2025, the Company has not imported goods for the Company's use, hence, there were no customs' duties and tariff fees that were accrued or paid during the year.

(d) Excise Tax

The Company did not have any transactions in 2025 which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

DST paid and accrued in 2025 on premium collections amounted to P119,359 and is presented as part of Costs of Plan Contracts Issued in the 2025 statement of comprehensive income.

(f) Taxes and Licenses

Other than the DST paid during the year, taxes and licenses incurred and paid in 2025 pertains to permits and licenses amounting to P335,192, which is presented as part of General and Administrative Expenses in the 2025 statement of comprehensive income.

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2025 are shown below *(Amounts in PHP)*.

Compensation and benefits	451,708
Expanded	361,779
	813,487

The Company did not have transactions subject to final withholding taxes in 2025.

(h) Deficiency Tax Assessment and Tax Cases

In 2025, the Company settled the deficiency tax assessment from the BIR amounting to P300,017 for the taxable year 2023. The settlement comprised of P281,505 and P18,512 for expanded withholding tax and documentary stamp tax, respectively. The settlement is presented as part of Miscellaneous under General and Administrative Expenses in the 2025 statement of comprehensive income.

As of December 31, 2025, the Company does not have any other final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the taxable open years.

23.2 Requirements Under RR No. 34-2020

Revenue Memorandum Circular No. 54-2021 was issued to clarify certain provisions of RR No. 34-2020, which prescribes the guidelines and procedures on the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents for related party transactions. The Company is not covered by these requirements as the Company did not fall in any of the categories identified under Section 2 of RR No. 34-2020.