# OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.

**FINANCIAL STATEMENTS**
**DECEMBER 31, 2025 AND 2024**
***IN PHILIPPINE PESO***

## REPORT OF INDEPENDENT AUDITORS

The Stockholders and the Board of Directors
**OPTIMUM MEDICAL AND HEALTHCARE SERVICES**
705-C Atlanta Center
31 Annapolis St., Greenhills, San Juan City

**Report of the Audit of the Financial Statements**

Opinion
We have audited the financial statements of **OPTIMUM MEDICAL AND HEALTHCARE SERVICES 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 **OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.,** as at December 31, 2025 and 2024 and its financial performance and its cash flows, for the year 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.

<u>Auditor's Responsibility for the Audit of the Financial Statements</u>
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 of error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, on the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

* Conclude on the appropriateness of management's use of the going concern basis in accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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

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

**SURETA & ASSOCIATE, CPAs**

**ESTER P. CLARETE**
**Partner**
Certified Public Accountant
Board Certificate No. 51131
PTR No. 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

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


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

The Stockholders and the Board of Directors
**OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.**
705-C Atlanta Center
31 Annapolis St., Greenhills, San Juan City

We have audited the financial statements of Optimum Medical and Healthcare Services 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 we 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
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May 15, 2026


179 C. Arellano Street, Concepcion, Malabon City, 1470 Tel. Nos.: (02) 75867703; 09171603280

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

The Stockholders and the Board of Directors
**OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.**
705-C Atlanta Center
#31 Annapolis St., Greenhills, San Juan City

We have audited the financial statements of Optimum Medical and Healthcare Services Inc., for the year ended December 31, 2025, on which we have rendered the attached report dated May 15. 2026

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has five (5) stockholders owning 100 or more shares.

**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

*STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS*

The Management of **OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.** is responsible for the preparation and fair presentation of the financial statement including the schedules attached therein, for the year ended December 31, 2025, 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 amended financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**SURETA AND ASSOCIATE, CPAs,** the independent auditor appointed by the stockholders, has audited financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

**OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.**
By:

GERALD SY
CEO/President

BELEN CHIU
CFO/Treasurer

Signed this 15th day of May 2026

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

The Management of **OPTIMUM MEDICAL AND HEALTHCARE SERVICES 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 the 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 the information and representations contained in all the other tax returns 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 **OPTIMUM MEDICAL AND HEALTHCARE SERVICES 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 company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

c) The taxpayer 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.

**OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.**

By:

| | |
|---|---|
| GERALD SY | BELEN CHIU |
| CEO/President | CFO/Treasurer |

## OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.
## STATEMENTS OF FINANCIAL POSITION
### DECEMBER 31, 2025 AND 2024
***(Amounts in Philippine Peso)***

| | Note | 2025 | 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash | **5** | **724,149** | 1,960.236 |
| Treasury Bills | **6** | **11,120,330** | 5,188,647 |
| Accounts Receivable and Prepaid Expenses | **7** | **5,889,223** | 4,852,908 |
| Total Current Assets | | **17,733,702** | 12,001,791 |
| **Noncurrent Assets** | | | |
| Property and Equipment - net | **8** | **1** | 1 |
| Total Noncurrent Assets | | **1** | 1 |
| | | **17,733,703** | 12,001,792 |
| **LIABILITIES AND EQUITY** | | | |
| **Current and Other Liabilities** | | | |
| Trade and other payables | **9** | **2,937,450** | 2,377,510 |
| Deposit for Subscription | **9** | **6,100,000** | |
| Other Liabilities | **9** | **2,000,000** | |
| Due to Insurance & Providers | **9** | **0** | 641,164 |
| Accrued Expenses | **9** | **156,956** | 156,956 |
| Total Liabilities | | **11,194,406** | 3,175,630 |
| **Equity** | | | |
| Capital stock – ₱1 par value | | | |
| Authorized – 100,000 shares | | | |
| Issued and subscribed-100,000 shares | **10** | **10,000,000** | 10,000,000 |
| Retained earnings | **10** | **-3,460,702** | -1,173,838 |
| Total Equity | | **6,539,297** | 8,826,162 |
| | | **17,733,703** | 12,001,792 |

*See accompanying Notes to Financial Statements.*

*There were no movements in the number of Company’s authorized and subscribed shares as at December 31, 2025 and 2024.

## OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.
## STATEMENTS OF COMPREHENSIVE INCOME
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**
***(Amounts in Philippine Peso)***

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **SERVICE REVENUES** | **11** | **0** | 0 |
| **OPERATIMG & ADMIN EXPENSES** | **12** | **-2,463,900** | -2,109,123 |
| **GROSS PROFIT** | | **-2,463,900** | -2,109,123 |
| **INCOME BEFORE INCOME TAX** | | **-2,463,900** | -2,109,123 |
| **PROVISION FOR INCOME TAX** | | **0** | 0 |
| **NET INCOME FOR THE YEAR** | | **-2,463,900** | -2,109,123 |
| **OTHER COMPREHENSIVE LOSS** | | | |
| Comprehensive Income | **11** | **187,047** | 221,015 |
| **TOTAL COMPREHENSIVE INCOME** | **10** | **-2,276,853** | -1,888,108 |

*See accompanying Notes to Financial Statements.*

## OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.

## STATEMENTS OF CHANGES IN EQUITY

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

***(Amounts in Philippine Peso)***

| | Capital Stock | Cumulative Earnings | Total Equity (Capital Def.) |
|---|---|---|---|
| Balances January 1, 2023 | 10,000,000 | 1,572,515 | 11,572,515 |
| Prior Period Adjustment | | -858,246 | -858,246 |
| Balances January 1, 2024 | 10,000,000 | 714,270 | 10,714,270 |
| Income for the year | | -1,888,108 | -1,888,108 |
| Balances January 1, 2025 | 10,000,000 | -1,173,838 | 8,826,162 |
| Adjustment | | -10,012 | -10,012 |
| Income for the period | | -2,276,853 | -2,276,853 |
| **Balances December 31, 2025** | **10,000,000** | **-3,460,702** | **6,539,297** |

## OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.
## STATEMENTS OF CASH FLOWS
### FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
***(Amounts in Philippine Peso)***

| | *Notes* | **2025** | 2024 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Income before income tax | **12** | **-2,463,206** | -2,109,123 |
| Adjustments for: | | | |
| Depreciation and Amortization | **8** | **0** | 0 |
| Income before working capital changes | | **-2,463,206** | -2,109,123 |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in: | | | |
| Short Term Investment | | **-5,931,683** | 0 |
| Accounts Receivable and Prepaid Expenses | **7** | **-1,036,315** | 2,001,000 |
| Prepaid and Other Current Assets | | **0** | 0 |
| Interest and other Income | **11** | **187,047** | 221,015 |
| Other Non-Current Assets | | **0** | 0 |
| Increase (Decrease) in: | | | |
| Trade and other payables | **9** | **549,234** | 1,311,389 |
| Current Tax Liabilities | **9** | **-641,164** | 0 |
| Net cash provided by operating activities | | **-9,336,087** | 3,533,404 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Net cash used in investing activities | 6 | **6,100,000** | -5,188,647 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Payments of: | | | |
| Advances from Stockholders | | **2,000,000** | 0 |
| Net cash used in financing activities | | **2,000,000** | 0 |
| **NET INCREASE (DECREASE) IN CASH** | | **-1,236,087** | -3,764,366 |
| **CASH AT BEGINNING OF YEAR** | **5** | **1,960,236** | 5,724,602 |
| **CASH AT END OF YEAR** | **5** | **724,149** | 1,960,236 |

## OPTIMUM MEDICAL AND HEALTHCARE SERVICES INC.

## NOTES TO FINANCIAL STATEMENTS

**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

***(Amounts in Philippine Peso)***

### 1. Corporate Information

Optimum Medical and Healthcare Services Inc. (the "Company") was incorporated in the Philippines on February 2, 2013 with Securities and Exchange Commission (SEC) under SEC Reg. No. CS201304002. Its primary purpose is to engage in healthcare services. The Company is regulated by the Insurance Commission (IC) and was granted IC License No. HMO-2023-19-R .

The Company's principal place of business is at 705-C Atlanta Center #31 Annapolis St., Greenhills, San Juan 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.

The Board of Directors is empowered to make revisions even after the date of issue.

### 2. Statement of Compliance

The accompanying financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS 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.

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.

### 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 financial statements that became effective in 2025 did not have any significant impact on the Company's financial statements or are not applicable to the Company.

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

<u>Financial Assets and Liabilities</u>

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. The classification of financial assets at initial recognition depends on the Company's business model in managing the financial assets and the contractual terms of the cash flows.

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through profit or loss (FVPL); and
- Financial assets measured at fair value through other comprehensive income (FVOCI) where:
  - gains and losses previously recognized are reclassified to profit and loss; and
  - gains and losses previously recognized are not reclassified to profit and loss.

*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 (see Note 5), receivables (see Note 6),

*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 loss.

    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.

*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 ether 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash in banks and due from related parties since initial recognition.

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

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

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

As at December 31, 2025 and 2024, this classification includes the Company's trade and other payables (except government payables) (see Note 9).

*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 loss.

Prepaid Expenses
Prepaid expenses are costs which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. 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.

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 |
| Improvement | 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.

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 loss 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.

Income Taxes

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

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

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and carryforward benefit of unused net operating loss carryover (NOLCO), 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.

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

The preparation of the Company's financial statements in conformity with PFRS 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:

- *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.

- *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*
- *Estimating 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.

- *Evaluation of Impairment of Nonfinancial Assets*
  The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company consider important which could trigger an impairment review include the following:
  - significant underperformance relative to expected historical or projected future operating results;
  - significant changes in the manner of use of the acquired assets or the strategy for overall business; and
  - significant negative industry or economic trends.

  These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements. An impairment loss is recognized and charged to earnings if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

  There was no allowance for impairment as at December 31, 2025 and 2024.

- *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.

5. **Cash**

This account consists of:

| | **2025** | 2024 |
|---|---|---|
| Cash in bank MBTC#1 | **158** | 1,489,663 |
| Cash in Bank MBTC#2 | **0** | 91,501 |
| Cah in Bank LBP | **27,406** | 37,395 |
| Security Bank | **696,585** | 341,677 |
| Petty Cash Fund | **0** | 0 |
| | **724,149** | 1,960,236 |

Cash in banks generally earn interest income based on the effective bank deposit rates of less than 1% annually.

6. **Treasury Bill**

| | **2025** | 2024 |
|---|---|---|
| Treasury Bills – Security Bank | **11,120,330** | 5,188,647 |
| | **11,120,330** | 5,188,647 |

7. **Accounts Receivable and Prepaid Expense**

This account consists of:

| | **2025** | 2024 |
|---|---|---|
| A. Accounts Receivable: | | |
| Other Receivable | **0** | 1,200,000 |
| Due from Officers and Employees | **2,236,315** | 0 |
| B. Prepaid Expenses: | | |
| Deposit to Healthcare Providers | **3,525,000** | 3,525,000 |
| Input Vat | **127,908** | 127,908 |
| MCIT @2% 2020 | **0** | 0 |
| MCIT @2% 2021 | **0** | 0 |
| MCIT @2% 2022 | **0** | |
| | **5,889,223** | 4,852,908 |

Due from Officers and Employees represents advances to stockholder while the Other Receivable account represents payment by the Company to healthcare providers for the settlement of hospital bill by the plan holder, however, this was subsequently declared as Bad Debts per Board Resolution No. 2025-01 dated January 10, 2025.

Deposit to Healthcare Providers are cash given to partner hospitals as a security to the Company's clients' outstanding hospital bills which are yet to be paid. This account was supported by official receipt/or deposit slips. Confirmation by the healthcare providers are in process and the carrying amounts as of December 31, 2025 are duly certified correct by management.

The account Prepaid and Other Current Assets in the Financial Statements of December 31, 2025 was classified under Accounts Receivable and Other Prepaid Expenses.

8. **Property and Equipment**

| | **2025** | 2024 |
|---|---|---|
| Medical Equipment | **1,108,950** | 1,108,950 |
| Car | **1,421,181** | 1,421,181 |
| Office Equipment | **203,827** | 203,827 |
| Improvement | **181,104** | 181,104 |
| Furniture and Fixtures | **105,000** | 105,000 |
| Total | **3,020,062** | 3,020,062 |
| Less: Accumulated Depreciation | **3,020,061** | 3,020,061 |
| Net Book Value | **1** | 1 |

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 investment Properties

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

## 9. Trade and Other Payables

| | **2025** | 2024 |
|---|---|---|
| Due to insurance and healthcare providers | **0** | 641,164 |
| Operational Fund | **279,371** | 0 |
| Outpatient Hospital | **0** | -290,901 |
| Outpatient Professional Fee | **0** | -70,893 |
| Doctor's Professional Fee | **713,309** | 713,309 |
| Deposit for Subscription | **6,100,000** | |
| Other Liability | **2,000,000** | |
| Other Accounts Payable- C Zamora | **0** | 7,000 |
| Other Accounts Payable Belen Chiu | **1,944,770** | 2,018,994 |
| Accrued expenses-Gerald Sy | **156,956** | 156,956 |
| | **11,194,406** | 3,175,630 |

Due to insurance and healthcare providers represents unpaid claims for professional services rendered as at the end of the accounting period.

## 10. Capital Management

The Company has an authorized capital stock of ₱10,000,000 divided into 100,000 common shares at a par value of ₱100 per share. Total issued and outstanding shares amounted to 10,000,000 of which 100,000 shares were fully paid.

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:

| | **Capital Stock** | **Cumulative Earnings** | **Total Equity (Capital Deff)** |
|---|---|---|---|
| Balances January 1, 2023 | 10,000,000 | 1,572,515 | 11,572,515 |
| Prior Period Adjustment | | -858,246 | -858,246 |
| Balances January 1, 2024 | 10,000,000 | 714,269 | 10,714,269 |
| Income for the year | | -1,888,108 | 1,888,108 |
| Balances January 1, 2025 | 10,000,000 | -1,173,838 | 8,826,162 |
| Adjustment | | -10,012 | -10,012 |
| Income for the year | | -2,276,853 | -2,276,853 |
| **Balances December 31, 2025** | **10,000,000** | **-3,460,703** | **6,539,297** |

## 11. **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. Interest Income in 2025 and 2024 amounted to 694 and 221,015 respectively.

## 12. Operating and Admin Expenses

This account consists of:

| | **2025** | 2024 |
|---|---|---|
| Post-employment Benefit Cost | **0** | 0 |
| Rental Expense | **0** | 0 |
| Bank Charges | **0** | 0 |
| Salary Allowance | **47,000** | 0 |
| Management and other professional fees | **194,000** | 0 |
| Management and other fees | **125,000** | 397,000 |
| Taxes & Licenses | **127,000** | 0 |
| Bad Debts | **1,200,000** | 1,000 |
| Supervision Fee | **20,200** | 20,200 |
| SSS, Philhealth and HDMF premium contribution | **0** | 0 |
| Monthly Dues | **0** | 0 |
| Power Light and Water | **0** | 0 |
| Telecommunication and postages | **0** | 320 |
| Transportation and Travel | **0** | 9,680 |
| Employee Benefits and Welfare | **0** | 0 |
| Printing Stationary and Supplies | **0** | 3,677 |
| Miscellaneous Expense | **635,700** | 1,568,558 |
| Service Fees | **100,000** | 108,688 |
| Representation Expenses | **5,000** | 0 |
| Legal and Notarial Fee | **10,000** | 0 |
| | **2,463,900** | 2,109,123 |

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

Per Board Resolution No. 2025-01 dated January 10, 2025 the Board of Directors declared Php 1,200,000.00 of the Accounts Receivable as Bad Debts because the debtor was legally unreachable and has been ascertained to be entirely worthless and uncollectible.

## 13. **Income Taxes**

a. The current income tax expense in 2025 and 2024 represents minimum corporate income tax (MCIT)

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 | **-2,276,853** | -2,109,123 |
| Multiplied by statutory tax | **0%** | 0% |
| Income tax at statutory tax rate | **0** | 0 |
| Total income tax expense – current and deferred | **-2,276,853** | -2,129,123 |
| Deferred income tax benefit (expense) | **0** | 0 |
| Current income tax expense | **0** | 0 |

| | 2025 | 2024 |
|---|---|---|
| Prior year excess tax credits | **0** | 0 |
| Creditable withholding tax during the year | **0** | 0 |
| Creditable withholding tax | **0** | 0 |

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

14. **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 | 815,650 | 815,650 | – | 815,650 |
| Treasury Bills | 6 | 11,120,330 | 11,120,330 | – | 11,120,330 |
| Accounts Receivable | 7 | 0 | 0 | – | 0 |
| | | 11,935,980 | 11,935,980 | - | 11,935,980 |
| Financial liabilities: | | | | | |
| Trade and other payables | 9 | 3,094,406 | 3,094,406 | – | 3,094,406 |
| Due to insurance provider | 9 | 0 | 0 | – | 0 |
| | | 3,094,406 | 3,094,406 | - | 3,094,406 |

| | | 2024 | | | |
|---|---|---|---|---|---|
| | Note | Carrying value | Fair value | Quoted price in active market (Level 1) | Significant observable input (Level 2) |
| Financial assets: | | | | | |
| Cash | 5 | 1,960,236 | 1,960,236 | - | 1,960,236 |
| Treasury Bills | 6 | 5,188,647 | 5,188,647 | – | 5,188,647 |
| Accounts Receivable | 7 | 1,200,000 | 1,200,000 | – | 1,200,000 |
| | | 8,348,883 | 8,348,883 | | 8,348,883 |
| Financial liabilities: | | | | | |
| Trade and other payables | 9 | 2,534,465 | 2,534,465 | | 2,534,465 |
| Due to insurance provider | 9 | 641,164 | 641,164 | – | 641,164 |
| | | 3,175,629 | 3,175,629 | | 3,175,629 |

*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.

There has been no reclassification to and from Level 1 and 2 categories in 2025 and 2024.

## 15. Financial Risk Management Objectives and Policies

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

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

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

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

*Credit risk exposure*
Table below shows the maximum exposure to credit risk of the Company as at December 31, 2025 and 2024 without considering the effects of collaterals and other credit risk mitigation techniques:

| | **2025** | 2024 |
|---|---|---|
| Cash in banks (Note 5) | **815,650** | 1,960,236 |
| Treasury Bills (Note 6) | **11,120,330** | 5,188,647 |
| Receivables-net (Note 7) | **0** | 1,200,000 |
| Due from Officers & Employees (Note 7) | **2,144,814** | 0 |
| | **14,080,794** | 8,348,083 |

*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** | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | | | |
| | High grade | Standard grade | Substandard grade | Impaired | Total |
| Financial assets: | | | | | |
| Cash in banks | 815,650 | - | - | - | 815,650 |
| Treasury Bills | 11,120,330 | | | | 11,120,330 |
| Other Receivables | 0 | – | - | - | 0 |
| Due from O & E | 2,144,814 | - | – | – | 2,144,814 |
| | 14,080,794 | - | - | - | 14,080,794 |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | | | |
| | High grade | Standard grade | Substandard grade | Impaired | Total |
| Financial assets: | | | | | |
| Cash in banks | 1,960,236 | - | - | - | 1,960,236 |
| Treasury Bills | 5.188,647 | | | | 5,188,647 |
| Other Receivables | 1,200,000 | – | - | - | 1,200,000 |
| Due from O & E | 0 | - | - | - | 0 |
| | 8,348,883 | - | - | - | 8,348,883 |

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 and due from affiliates.  A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract.  The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates.  The management has assessed that above financial assets are not impaired.
Impairment of security deposit could not be readily determined as the underlying contracts are currently in force and the parties involve 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 |
| *Financial liabilities:* | | | | |
| Trade and other payables | 3,094,406 | | | 3,094,406 |
| Due to insurance provider | 0 | | | 0 |
| | 3,094,406 | | | 3,094.406 |

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| | 2024 | | | |
|---|---|---|---|---|
| | On Demand | Due within 1 year | Due beyond 1 year but not more than 5 years | Total |
| *Financial liabilities:* | | | | |
| Trade and other payables | 2,534,465 | | | 2,534,465 |
| Due to insurance provider | 641,164 | | | 641,164 |
| | 3,175,629 | | | 3,175,629 |

## 16. 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:

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

| | Net sales/receipts | Output VAT |
|---|---|---|
| Service income | 0 | 0 |

b. Input VAT

| | |
|---|---|
| Balance at beginning of year | 127,908 |
| Current year's domestic purchases: | |
| Services lodged under other accounts | |
| Goods other than for resale or manufacture | |
| Less: Claims for tax credit | |
| Applied to output VAT | 0 |
| Balance at end of year | 127,908 |

c. Taxes and licenses 2025 is 0
   Documentary stamp tax pertains to equity and loans instrument.

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

| | |
|---|---|
| Expanded withholding taxes | 0 |
| Tax on compensation and benefits | 0 |
| | 0 |

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

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