Fw: Your BIR AFS eSubmission uploads were received

From jbaloca <j_baloca@yahoo.com>
To equiambao@the-evergreenchapels.com <equiambao@the-evergreenchapels.com>
Date 2026-04-29 18:19

Jesse Baloca

----- Forwarded Message -----
From: "eafs@bir.gov.ph" <eafs@bir.gov.ph>
To: "j_baloca@yahoo.com" <j_baloca@yahoo.com>
Cc: "j_baloca@yahoo.com" <j_baloca@yahoo.com>
Sent: Wednesday, April 29, 2026 at 06:55:12 PM GMT+8
Subject: Your BIR AFS eSubmission uploads were received

Hi EVERGREEN LIFEPLAN SERVICES INC.,

Valid files

- EAFS010545145ITRTY122025.pdf
- EAFS010545145AFSTY122025.pdf
- EAFS010545145TCRTY122025-01.pdf
- EAFS010545145OTHTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PR3WNM2V0333PVYRMQXSYYT3Y0C5KFLJAJ**
Submission Date/Time: **Apr 29, 2026 06:55 PM**
Company TIN: **010-545-145**

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

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

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

Tax Return Receipt Confirmation

From: ebirforms-noreply@bir.gov.ph (ebirforms-noreply@bir.gov.ph)

To: j_baloca@yahoo.com

Date: Wednesday, April 15, 2026 at 10:49 AM GMT+8

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 010545145000-1702RTv2018C-122025.xml
Date received by BIR: 15 April 2026
Time received by BIR: 10:23 AM
Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH TAX PAYABLE:
Please pay through any of the following ePayment Channels:

Land Bank of the Philippines Link.BizPortal

- LBP ATM Cards
- Bancnet ATM/Debit Cards
- PCHC PayGate or PESONeT (RCBC, Robinsons Bank, UnionBank, PSBank, BPI, Asia United Bank)

DBP PayTax Online

- Credit Cards (MasterCard/Visa)
- Bancnet ATM/Debit Cards

Unionbank of the Philippines

- Unionbank Online (for Unionbank Individual and Corporate Account Holders)
- UPAY via InstaPay (For Individual Non-Unionbank Account Holders)

Taxpayer Agent/ Tax Software Provider-TSP

- (Gcash/PayMaya/MyEG)

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

For BIR Use Only BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No.
1702-RT
January 2018(ENCS)
Page 1

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filled with the BIR and one held by the taxpayers.

1702-RT 01/18ENCS P1

1 For (●) Calendar ( ) Fiscal
2 Year Ended (MM/20YY) 12 - December 20 25

3 Amended Return? ( ) Yes (●) No

4 Short Period Return ( ) Yes (●) No

5 Alphanumeric Tax Code (ATC)
IC 055–Minimum Corporate Income Tax(MCIT) (●)
IC010 - CORPORATION IN GENERAL - JAN 1, 2009 ( )

Part I - Background Information

6 Tax Identification Number (TIN) 010 - 545 - 145 - 00000

7 RDO Code 043

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
EVERGREEN LIFEPLAN SERVICES INC.

9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)
300 C. RAYMUNDO AVE. MAYBUNGA, PASIG CITY

9A ZIP Code 1607

10 Date of Incorporation/Organization *(MM/DD/YYYY)* 11/16/2020

11 Contact Number 85712989

12 Email Address baloca@yahoo.com

13 Method of Deductions (●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended]

Part II - Total Tax Payable (Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Tax Due	92,314
15 Less: Total Tax Credits/Payments	150,025
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15)	(57,711)
Add: Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Items 16 and 20)*	(57,711)

If Overpayment, mark one(1) box only *(Once the choice is made, the same is irrevocable)*
( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (●) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

JESSE SOLIS BALOCA

Signature over Printed Name of President/Principal Officer/Authorized Representative

Signature over Printed Name of Treasurer/Assistant Treasurer

22 Number of Attachments 000

Title of Signatory PRESIDENT TIN 270-364-912 Title of Signatory TIN

Part III - Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date(MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others*(Specify Below)*				
				0

Machine Validation/Revenue Official Receipt Details *[If not filed with an Authorized Agent Bank(AAB)]*

Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. **1702-RT** January 2018(ENCS) **Page 2**	**Annual Income Tax Return** **Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate**	**1702-RT 01/18ENCS P2**

Taxpayer Identification Number(TIN): 010 | 545 | 145 | 00000

Registered Name: EVERGREEN LIFEPLAN SERVICES INC.

Part IV - Computation of Tax

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

27 Sales/Revenues/Receipts/Fees	8,102,692
28 Less:Sales Returns, Allowances and Discounts	0
29 Net Sales/Revenues/Receipts/Fees *(Item 27 Less Item 28)*	8,102,692
30 Less: Cost of Sales/Services	3,508,723
31 Gross Income from Operation *(Item 29 less Item 30)*	4,593,969
32 Add: Other Taxable Income Not Subjected to Final tax	11,786
33 Total Taxable Income *(Sum of Items 31 and 32)*	4,605,755
Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions	3,360,273
35 Special Allowable Itemized Deductions	0
36 NOLCO *(Only for those taxable under Sec. 27(A to C); Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)*	1,208,466
37 Total Deductions *(Sums of Items 34 to 36)*	4,568,739
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction (OSD) *(40% of Item 33)*	0
39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	37,016
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Mininum Corporate Income Tax(MCIT) *(Item 39 x Item 40)*	9,254
42 MCIT Due *(2% of Item 33)*	92,314
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)*	92,314
Less: Tax Credits/Payments(attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	99,778
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	45,562
47 Excess MCIT Applied this Current Taxable Year	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	4,685
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits	0
Other Credits/Payments *(Specify)*	
53	0
54	0
55 Total Tax Credits/Payments *(Sum of Items 44 to 54)*	150,025
56 Net Tax Payable (Overpayment) *(Item 43 Less Item 55)*	(57,711)

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add:Special Tax Credits	0
59 Total Tax Relief Availment *(Sum of Items 57 & 58)*	0

BIR Form No. **1702-RT** January 2018(ENCS) Page 3	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P3

Taxpayer Identification Number(TIN): 010 545 145 00000

Registered Name: EVERGREEN LIFEPLAN SERVICES INC.

Part VI - Schedules (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s if necessary)

1	Amortization	0
2	Bad Debts	0
3	Charitable and Other Contributions	0
4	Depletion	0
5	Depreciation	0
6	Entertainment, Amusement and Recreation	0
7	Fringe Benefits	0
8	Interest	0
9	Losses	0
10	Pension Trusts	0
11	Rental	0
12	Research and Development	0
13	Salaries, Wages and Allowances	1,259,508
14	SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15	Taxes and Licenses	123,851
16	Transportation and Travel	0
17	Others(Deductions Subject to Withholding Tax and Other Expenses) *(Specify below; Add additional sheet(s), if necessary)*	
a	Janitorial and Messengerial Services	0
b	Professional Fees	780,482
c	Security Services	0
d	COMMISSIONS EXPENSE	328,964
e	OTHER SERVICES	242,549
f	MARKETING EXPENSE	114,402
g	COMMUNICATIONS, LIGHT AND WATER	96,397
h	SHARED EXPENSES	66,998
i	OTHERS	347,122
18	**Total Ordinary Allowable Itemized Deductions** *(Sum of Items 1 to 17i)*	3,360,273

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5	**Total Special Allowable Itemized Deductions** *(Sum of Items 1 to 4)*		0

BIR Form No.
1702-RT
January 2018(ENCS)
Page 4

Annual Income Tax Return
Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P4

Taxpayer Identification Number(TIN) 010 545 145 00000
Registered Name EVERGREEN LIFEPLAN SERVICES INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1	Gross Income	0
2	Less: Ordinary Allowable Itemized Deductions	0
3	Net Operating Loss *(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

	Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s
4		0	0
5	2024	647,283	0
6	2023	561,183	0
7		0	0

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

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4	0	0	0
5	0	647,283	0
6	0	561,183	0
7	0	0	0
8	**Total NOLCO** *(Sum of Items 4D to 7D)*	1,208,466	

Schedule IV -Computation of Minimum corporate Income Tax(MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

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

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

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per Books	15,427,972
	Add: Non-deductible Expenses/Taxable Other Income	
2	CHANGE IN PRE NEED RESERVES	937,488
3	DISALLOWED PENALTIES	8,773
4	Total *(Sum of Items 1 to 3)*	16,374,233
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	GAIN ON REVALUATION OF INVESTMENT PROPERTY	14,630,000
6	INTEREST INCOME SUBJECT TO FINAL TAX	498,751
	B) Special Deductions	
7	APPLICATION OF NOLCO	1,208,466
8		0
9	Total *(Sum of Items 5 to 8)*	16,337,217
10	**Net taxable Income (Loss)** *(Item 4 Less Item 9)*	37,016

Evergreen
Lifeplan Services, Inc.

300 C. Raymundo Ave.
Maybunga, Pasig City

0917-190-1600, 1700, 1800
evergreenlifeplan.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **EVERGREEN LIFEPLAN 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 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 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 **EVERGREEN LIFEPLAN 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) **EVERGREEN LIFEPLAN SERVICES, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

JESSE SOLIS BALOCA
Chairman of the Board

JESSE SOLIS BALOCA
President

MARIA MICHIKO BALOCA
Treasurer

Crowe

Ramon F. Garcia & Company CPAs
30F Burgundy Corporate Tower,
252 Sen. Gil Puyat Ave., Makati City
Telephone No. +632 8821 05 63
www.crowe.com/ph

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURNS

To the Shareholders and Board of Directors
EVERGREEN LIFEPLAN SERVICES, INC.
300 C. Raymundo Ave.
Maybunga, Pasig City

Gentlemen:

In connection with our examination of the financial statements of **EVERGREEN LIFEPLAN SERVICES, INC.** as of December 31, 2025, we wish to state that no partners of our Firm are related by consanguinity or affinity to any of the principal officers, members of the Board of Directors or principal shareholders of the Company.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs
By:

CHRISTOPHER C. ALCANTARA
Partner
CPA Certificate No. 0107764
PTR No. 10801790, February 01, 2026, Makati City
TIN 227-976-865-000
BOA/PRC Accreditation No.0207 (October 6, 2025 to October 6, 2028)
Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)
Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)
Partner's IC Accreditation No. 107764-IC Category A, valid for audit of 2025 to 2027 financial statements of IC covered institutions
Partner's BSP Accreditation No. 107764-BSP Category B, valid for audit of 2025 to 2029 financial statements of BSP covered institutions
Firm's BIR Accreditation No. 08-001759-001-2026 (March 31, 2026 to March 30, 2029)
Firm's SEC Accreditation No. 0207- SEC Group A, Valid for audit of 2021 to 2025 financial statements
Firm's BSP Accreditation No. 0207-BSP-Group B, valid for audit of 2025 to 2029 financial statements BSP covered institutions

April 29, 2026
Makati City

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Crowe

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
EVERGREEN LIFEPLAN SERVICES INC.
300 C. Raymundo Ave.
Maybunga, Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **EVERGREEN LIFEPLAN SERVICES 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 the financial statements, including a summary of material accounting policies.

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 Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards in Auditing (PSAs). 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 the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Philippines. We have also 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 the 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 Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, 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 PSAs 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 statement.

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 risk 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

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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 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 disclosure, 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 15 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 the 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 our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

RAMON F. GARCIA & COMPANY, CPAs
By:

CHRISTOPHER C. ALCANTARA
Partner
CPA Certificate No. 0107764
PTR No. 10801790, February 01, 2026, Makati City
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statements BSP covered institutions

April 29, 2026
Makati City

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EVERGREEN LIFEPLAN SERVICES INC.
Statements of Financial Position
As at December 31, 2025 and 2024
(in Philippine Peso)

	Notes	**2025**	2024
ASSETS			
Current assets			
Cash in banks	*2d, 4*	**40,633,899**	43,286,555
Prepaid income tax	*2k*	**57,711**	99,778
Total		**40,691,610**	43,386,333
Non-current assets			
Investments in trust fund	*2d, 5*	**13,081,264**	9,035,772
Investment properties	*2f, 6*	**96,830,000**	82,200,000
Total		**109,911,264**	91,235,772
TOTAL ASSETS		**150,602,874**	134,622,105
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*2d, 7*	**240,634**	379,825
Due to related parties	*11*	**6,055,555**	9,776,439
Total		**6,296,189**	10,156,264
Non-current liabilities			
Pre-need reserves	*2g, 8*	**11,126,566**	6,732,854
Deferred income tax liability, net	*2k,12*	**2,021,386**	924,529
Total		**13,147,952**	7,657,383
TOTAL LIABILITIES		**19,444,141**	17,813,647
EQUITY			
Share capital	*9*	**100,214,000**	100,214,000
Revaluation reserves	*5*	**105,590**	(5,884)
Retained earnings		**30,839,143**	16,600,342
TOTAL EQUITY		**131,158,733**	116,808,458
TOTAL LIABILITIES AND EQUITY		**150,602,874**	134,622,105

(see notes to financial statements)

EVERGREEN LIFEPLAN SERVICES INC.
Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(in Philippine Peso)

	Notes	2025	2024
PREMIUM REVENUE	*2i*	**8,102,692**	7,435,811
COST AND EXPENSES			
Cost of plan contracts issued	*2j, 10.a*	**4,446,211**	5,523,662
General and administrative expense	*2j, 10.b*	**3,369,046**	5,373,687
Total		**7,815,257**	10,897,349
OPERATING INCOME (LOSS)		**287,435**	(3,461,538)
OTHER INCOME	*2i*		
Unrealized fair value gain on investment property	*6*	**14,630,000**	19,826,000
Trust fund income	*5*	**477,794**	300,477
Finance income	*4*	**20,957**	22,626
Other income		**11,786**	22,500
Total		**15,140,537**	20,171,603
INCOME BEFORE TAX		**15,427,972**	16,710,065
INCOME TAX EXPENSE (BENEFIT)	*2k, 12*		
Current		**311,371**	(161,821)
Deferred		**877,800**	1,189,560
Total		**1,189,171**	1,027,739
INCOME FOR THE YEAR		**14,238,801**	15,682,326
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified subsequently to profit or loss			
Fair value gains (losses) in financial assets at fair value through comprehensive income	*5*	**111,474**	(9,805)
TOTAL COMPREHENSIVE INCOME		**14,350,275**	15,672,521

(see notes to financial statements)

EVERGREEN LIFEPLAN SERVICES INC.
Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(in Philippine Peso)

	Share capital (Note 9)	Revaluation Reserves (Note 5)	Retained Earnings			Total Equity
			Appropriated (Note 5)	Unappropriated	Total	
Balances at December 31, 2023	100,214,000	3,921	271,775	646,241	918,016	101,135,937
Total comprehensive income	-	(9,805)	300,477	15,381,849	15,682,326	15,672,521
Balances at December 31, 2024	100,214,000	(5,884)	572,252	16,028,090	16,600,342	116,808,458
Total comprehensive income	-	111,474	477,794	13,761,007	14,238,801	14,350,275
Balances at December 31, 2025	**100,214,000**	**105,590**	**1,050,046**	**29,789,097**	**30,839,143**	**131,158,733**

(see notes to financial statements)

EVERGREEN LIFEPLAN SERVICES INC.
Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(in Philippine Peso)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax		**15,427,972**	16,710,065
Adjustments to reconcile profit before income tax to net cash			
Interest income	*4*	**(20,957)**	(22,626)
Trust fund income	*5*	**(477,794)**	(300,477)
Gain on revaluation of investment property	*6*	**(14,630,000)**	(19,826,000)
OPERATING PROFIT (LOSS) INCOME BEFORE WORKING CAPITAL CHANGES		**299,221**	(3,439,038)
Increase (Decrease) in Current Liabilities			
Payables		**(139,190)**	(107,263)
Pre-need reserves		**4,393,712**	5,487,162
CASH PROVIDED BY OPERATIONS		**4,553,743**	1,940,861
Income tax paid		**(50,248)**	(176,510)
Interest received	*4*	**20,957**	22,626
NET CASH PROVIDED BY OPERATING ACTIVITIES		**4,524,452**	1,786,977
CASH FLOWS FROM INVESTING ACTIVITIES			
Contributions to the trust fund	*5*	**(3,456,224)**	(2,796,088)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from related parties	*11*	**(3,720,884)**	2,054,319
NET INCREASE (DECREASE) IN CASH IN BANKS		**(2,652,656)**	1,045,208
CASH IN BANKS AT BEGINNING OF THE YEAR		**43,286,555**	42,241,347
CASH IN BANKS AT END OF THE YEAR	*4*	**40,633,899**	43,286,555

(see notes to financial statements)

Note 1 – Company information

EVERGREEN LIFEPLAN SERVICES, INC. ("the Company"), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 17, 2020 under the SEC registration no. CS202009801. The Company is primarily engaged in the pre-need business and develop and sell contractual plans for the benefit of plan holders, subscribers, or purchasers thereof, which provide for the performance of future service/s, payment of monetary considerations, and/or delivery of other benefits at the time of actual need or agreed maturity date, as specified therein, in exchange for cash or installments amounts with or without interest or insurance coverage and includes life, pension, education, interment and other plans, instruments, contracts or deeds as may in the future be determined by applicable law, rule or regulation. Provided that the corporation shall not solicit, accept, or take investments/placements from the public neither shall it issue investment contracts.

The Company's registered principal office is at 300 C. Raymundo Ave Maybunga, Pasig City.

The accompanying financial statements of the Company were reviewed by and authorized for issuance by the Board of Directors (BOD) on April 29, 2026.

Note 2 – Summary of material accounting policies

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. Accounting policies are considered as material if it can reasonably influence the decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements. These policies have been consistently applied during the year, unless otherwise stated.

a. Basis of preparation of financial statements

1. Statement of compliance with the Philippine Financial Reporting Standards (PFRS) Accounting 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 Financial and Sustainability Reporting Standards Council (FSRSC), 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 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 Standard for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

   <u>Deferral of certain provisions of PAS 19</u>

   The Company deferred the implementation of certain provisions of PAS 19 (Revised) particularly on the actuarial valuation of retirement liability.

   The management believes that the effect of the deferral of certain provisions of PAS 19 has no material effect on the financial statements of the Company. The Company has nil and 8 employees as at December 31, 2025 and 2024, respectively.

2. Functional and presentation currency

   These financial statements are presented in Philippine pesos, 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.

b. Statement of compliance

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the Philippines for pre-need companies as set forth in the Pre-need Rule 31, As Amended: Accounting Standards for Pre-Need Plans and Pre-need Uniform Chart of Accounts (PNUCA) and applicable IC Circular Letters and accounting requirements.

- **Republic Act No. 9829**

On December 3, 2009, the Republic Act (RA) No. 9829, An Act Establishing the Pre-need Code of the Philippines, was approved and known as the “Pre-need Code of the Philippines” (the Code). It is a consolidation of Senate Bill No. 2077 and House Bill No. 6407 passed by the Senate and the House of Representatives on September 30, 2009 and September 29, 2009, respectively.

The following are the more significant provisions of RA No. 9829:

- *Authority of the IC.* All pre-need companies shall be under the primary and exclusive supervision and regulations of the IC.

- Paid-up capital. A pre-need company incorporated after the effectivity of the Code shall have a minimum paid-up capital of P 100 million. Existing pre-need companies shall comply with the following minimum unimpaired paid-up capital:

  a. P 100 million for companies selling at least three (3) types of plan;
  b. P 75 million for companies selling two (2) types of plan; and
  c. P 50 million for companies selling a single type of plan.

- *Trust fund.* The trust fund shall at all times be sufficient to cover the required pre-need reserve. The RA specifies the minimum amount of corresponding contributions to the trust fund.

- *Limitations of different investments of the trust fund.* To ensure the liquidity of the trust fund to guarantee the delivery of the benefits provided for under the plan contract and likewise obtain sufficient capital growth to meet the growing actuarial reserve liabilities, all investments of the trust fund of a pre-need company shall be limited and subject to limitations specified by the Republic Act.

Under Chapter 11, Section 47 of the Pre-need Code, the IC shall have the authority to make, amend and rescind such accounting rules and regulations applicable for pre-need companies. In the absence of new accounting rules, amendments to or rescission of the current accounting rules authorized by the IC, the Company continues to follow the amended PNUCA and the applicable IC Circular Letters.

After the issuance of Republic Act No. 9829, the Commission issued the Implementing Rules and Regulation (IRR) on March 8, 2010. The salient provisions of the IRR are the same with that of the RA No. 9829.

- **Pre-need Rule 31, as amended, dated May 10, 2007**

The Company applied the provisions of the amended rule on its financial statements (Note 5).

The amended rule provides that for presentation purposes:

a. The Pre-need Reserves (PNR) calculated under the amended rule are presented in the statement of financial position as PNR account and changes in PNR are included in the ‘Cost of plan contracts issued’ section in the profit or loss in the statement of comprehensive income.

b. Documentary stamp tax and SEC registration fees are included in the ‘Cost of plan contracts issued’ section in the profit or loss in the statement of comprehensive income.

c. Insurance expense, basic commissions, other commission such as overrides, bonuses and other expenses that constitute direct cost of contracts issued are included in the ‘Other direct costs and expenses’ account in the profit or loss in the statement of comprehensive income.

(In Philippine Peso)

- **SEC Interpretation Bulletin No. 1, Series of 2008**

  On January 17, 2008, the SEC issued a bulletin to guide pre-need corporations, pre-need actuaries and pre-need external auditors on the implementation of the Pre-need rule 31, as amended, dated May 10, 2007 (the amended rule).

  The PNR or the reserve for life plan cover the liabilities for life plan. The PNR represents present value of future pre-need benefits less the present value of future trust fund contributions. The amount indicated as PNR shall be the same as that stated in the actuarial valuation report and audited financial statements with the required disclosures.

- **IC Circular Letter No. 23-2012**

  On November 23, 2012, the IC issued Circular Letter 23-2012 relating to the Valuation of Transitory Pre-need Reserves (TPNR). The circular states that in order to provide regulatory leeway for old basket of plans previously approved by the SEC, the valuation of PNR shall be governed by the following:

  1. Discount interest rate for the PNR

     The transitory discount interest rate per year that shall be used in the valuation of PNR shall not exceed the lower of the attainable rates as certified by the Trustee and the following rates below:

Year	Discount interest rate
2012-2016	8.00%
2017	7.25%
2018	6.50%
2019	6.00%
2020	6.00%
2021	5.90%
2022	6.00%
2023	6.00%
2024	6.00%
2025	5.50%

     The Company used the following interest rates for valuation: 5.50% and 6.00% for 2025 and 2024, respectively.

  2. Transitory pre-need reserve

     In effecting the transition in the valuation of reserves for old basket of plans, IC shall prescribe a TPNR with a maximum transition period of ten (10) years.

     For each of the pre-need plan categories, the TPNR shall be computed annually on all old basket of plans outstanding at the end of each year from 2012 to 2025 using the discount interest rates provided above. If the actual trust fund balance is higher than or equal to the resulting PNR then the liability set-up shall be the PNR. However, if the resulting PNR is greater than the actual trust fund balance at the end of the year, TPNR shall be computed.

     The actual trust fund balance shall be the trust fund balance at the end of the year net of any receivables by the pre-need company from the trustee for the contractual benefits outstanding as of the end of the year.

     The TPNR liability shall be recognized each year. The trust fund deficiency shall be funded by the pre-need company within sixty (60) days from April 30 following the valuation date.

c. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following amended standards starting January 1, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1. Adoption of new and revised accounting standards effective in 2025

Amendments to PAS 21, *Lack of Exchangeability*

The amendments set out to clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. These amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendments are effective for reporting periods beginning on or after January 1, 2025 with early application permitted.

This amendment does not have an impact on the Company's financial statements in the current or future reporting periods and on foreseeable future transactions.

2. New accounting standards effective after the reporting period 2025

There are amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements:

Effective beginning on or after January 1, 2026

i. Amendments to PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 36 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
ii. Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
iii. Annual Improvements to PFRS Accounting Standards—Volume 11
   - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
   - Amendments to PFRS 7, *Gain or Loss on Derecognition*
   - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
   - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
   - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

i. PFRS 17, *Insurance Contracts*
ii. PFRS 18, *Presentation and Disclosure in Financial Statements*
iii. PFRS 19, *Subsidiaries without Public Accountability*
iv. Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred

Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Other PIC Q&As Issued in 2025

Q&A No. 2025-01, Timing of recognition for the cost of plastic packaging diversion activities under the Extended Producer Responsibility Act of 2022

The above Q&As has no impact on the Company's financial statements in the current or future reporting periods and on foreseeable future transactions.

d. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

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 in banks and investments in trust fund in the statement of financial position.

For purposes of cash flows reporting and presentation, cash generally includes cash 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.

Impairment of financial assets

The Company recognizes lifetime ECL for debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks and debt instruments under its trust fund measured at FVOCI, the Company applies the general approach in calculating ECL. The loss allowance is based on the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

2. Financial liabilities

Financial liabilities, which include trade and other payables (except tax-related liabilities), due to related parties and accrued trust fees and other expenses (recognized as part of Investments in Trust Fund account) are recognized when the Company becomes a party to the contractual terms of the instrument.

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.

e. Determination and measurement of fair value

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

f. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting year. Changes in the fair values of investment properties are included in profit or loss in the year in which they arise, including the corresponding tax effect.

g. Pre-need 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 of PAS 37 and the specific method of computation required by the IC.

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:

1. 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.

2. 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.

3. On fully paid plans

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

4. 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.

5. 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.

6. The probability of pre-termination or surrender of fully paid plans are considered in determining the PNR of filly paid plans. A pre-termination experience in full 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.

h. Employee benefits

The Company provides short term benefits and post-employment benefits to employees.

Short-term benefits

Wages, salaries and bonuses are recognized as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave is recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave is recognized when the absences occur.

Defined benefit plan

The Company has not yet established a formal post-employment plan nor accrued the estimated cost of post-employment benefits under a defined benefit plan required by the provisions of Republic Act (R.A.) No. 7641, *The Retirement Pay Law,* in as much as such the estimated retirement benefits is not material to the financial statements. The Company will recognize these benefits as an expense as they fall due.

Defined contribution plan

A defined-contribution plan under which the Company pays fixed contributions into an independent entity such as Social Security System (SSS), Philhealth and Pag-ibig. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contributions. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

i. Revenue recognition

Revenue from contracts with customers is recognized when control of services is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

a. Premium revenues – Premiums from sale of pre-need plans shall be recognized as earned when collected. When premiums are recognized as income, the related cost of contracts shall be computed with the result that benefits and expenses are matched with such revenues.

b. Trust fund income – income generated by the trust fund is presented as “Trust fund income” in the statement of comprehensive income. The portion of the retained earnings representing the trust fund income is automatically restricted to payments of benefits of plan holders and such other related payments as allowed under Pre-need Rules.

c. Finance income – revenue is recognized on time proportion basis, taking into account the principal, when it is determined that such revenue will accrue to the Company and presented net of applicable final tax.

d. Other income – this includes service fee, plan administration and other contract fees, surcharge and amendment fees and miscellaneous income. These are recognized as revenue in the period in which the related services are performed.

e. Unrealized fair value gain on investment property – arises when the fair value of an investment property increases compared to its previous carrying value. It is considered unrealized as no actual sale or cash inflow has occurred.

j. Expense recognition

Expenses are recognized in the profit or loss in the statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in profit or loss in the statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

i. Cost of contracts issued

Cost of contracts issued includes the following which are presented separately on the face of the statement of comprehensive income:

a. the increase in PNR in the current year as compared to the provision for the same period of the previous year. If there is a decrease in the PNR as a result of new information or new developments, the amount shall be deducted from the cost of contracts issued of the current period;
b. amount of trust funds contributed during the year; and
c. documentary stamp tax and SEC registration fees.

ii. Other direct costs and expenses

This account includes the following which shall be presented separately in the notes to the financial statements:

a. Basic and other commission expenses;
b. Insurance; and
c. Other expenses that constitute direct cost of contracts issued.

k. Income tax

Income tax expense represents the sum of the current income tax and deferred income tax expense. Current and deferred income tax are recognized in profit or loss.

Current income tax

The current income tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current income tax expense is calculated using 25% regular corporate income tax rate based on taxable income.

Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred income tax assets are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred income tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

l. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive): (a) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognized in the statement of comprehensive income, net of any reimbursement.

Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate.

m. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

n. Events after the reporting date

Events after the end of reporting period are those events, favorable and unfavorable, that occur between the end of reporting period and the date when the financial statements are for issue.

Post year-events that provide additional information about the Company’s position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Note 3 – Material accounting judgement 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Critical management judgements 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:

1. 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.

2. 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 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.

3. 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.

b. 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.

1. Estimation of provision for ECL

   The measurement of the provision 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.

2. 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.

3. 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 net unrealized gain (loss) of the trust fund investments are included in the Investments in Trust Fund and is shown as Revaluation Reserves in the equity section of the statements of financial position in Note 5.

4. Determining fair value of investment property

   The Company has adopted the fair value approach in determining the carrying value of its investment properties. While the Company has opted to rely on independent appraisers to determine the fair value of its investment properties, such fair values were determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair values for any period would differ if the Company made different judgments and estimates or utilized different basis for determining fair value. Also, it is the Company's policy that fair values be determined every three to four years based on an appraisal performed by an independent firm of appraisers.

   The carrying amounts of investment properties carried at fair value amounted to P 96,830,000 and P 82,200,000 as at December 31, 2025 and 2024, respectively (Note 6).

5. Impairment of non-financial assets

   The Company's 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.

6. Determination of realizable amount of deferred income tax assets

   The Company reviews its deferred income 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.

   The carrying amount of deferred income tax assets as at December 31, 2025 and 2024 amounted to P 175,574 and P 394,631, respectively (Note 12).

Note 4 – Cash in banks

This account is composed of cash in banks amounting to P 40,633,899 and P 43,286,555 as at December 31, 2025 and 2024, respectively.

Cash in banks generally earns interest at rates based in bank deposit rates. The interest earned amounted to P 20,957 in 2025 and P 22,626 in 2024 and is presented as finance income in the statements of comprehensive income.

Note 5 – Investment 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.

(In Philippine Peso)

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 as follows:

	2025	2024
Assets		
Cash and cash equivalents	**440,227**	518,488
Financial assets at FVOCI	**12,494,964**	8,231,640
Investment in UITF	**-**	190,103
Interest receivables	**162,135**	106,993
	13,097,326	9,047,224
Liabilities		
Accrued trust fees payable	**(16,062)**	(11,452)
Total	**13,081,264**	9,035,772

	2025	2024
Equity:		
Fund balance at beginning of year	**9,035,772**	5,949,012
Contributions during the year	**3,456,224**	2,796,088
Earnings for the year	**477,794**	300,477
Fund balance at end of year	**12,969,790**	9,045,577
Unrealized market gain (loss)	**111,474**	(9,805)
Total	**13,081,264**	9,035,772

Cash and cash equivalent consists of cash in banks and time certificates of deposit that earns interest of 5.13% to 5.31% in 2025 and 6.00% to 6.25% in 2024. Financial assets at FVOCI consists of government bonds and treasury bonds which have annual interest rates ranging from 5.65% to 6.38% in 2025 and 5.87% to 7.00% in 2024.

The movements in the reserve for fluctuation in fair value of FVOCI are as follows:

	2025	2024
Balance at January 1	**(5,884)**	3,921
Changes in fair value recognized directly in OCI	**111,474**	(9,805)
Balance at December 31	**105,590**	(5,884)

Income earned, net of expenses incurred, amounted to P 477,794 and P 300,477 in 2025 and 2024, respectively, and is presented as part of Trust fund income under other income 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.

	2025	2024
Interest income		
Government securities	**490,773**	286,800
Time deposits	**23,750**	46,016
Gain/loss in government securities	**15,489**	-
Unit investment trust fund	**3,054**	-
Savings	**20**	45
Gain/loss in market revaluation	**(103)**	103
Total income	**532,983**	332,964
Expenses		
Trust fees	**55,266**	38,013
Recovery for expected credit losses	**(80)**	(5,646)
Other expenses	**3**	120
Total expenses	**55,189**	32,487
Net income	**477,794**	300,477

Contributions are being made 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.

(In Philippine Peso)

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

Accumulated trust fund income restricted to payments of benefits of plan holders is as follows:

	2025	2024
Balance at January 1	**572,252**	271,775
Trust fund income	**477,794**	300,477
Balance at December 31	**1,050,046**	572,252

Note 6 – Investment properties

On October 13, 2020, shareholders purchased 30,000,000 shares of stock for a total subscription price of P 60,000,000 and assigned two parcels of land and one condominium unit with two parking slots to the Company with a fair value of P 60,214,000 as payment to subscription of shares.

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.

The Company's investment property as at December 31, 2025 and 2024 held for capital appreciation as follows:

	Land	**Condominium unit**	**2025 Total**
Balance at January 1	41,600,000	40,600,000	82,200,000
Acquisitions	-	-	-
Change in fair value	6,414,000	8,216,000	14,630,000
Total	**48,014,000**	**48,816,000**	**96,830,000**

	Land	Condominium unit	2024 Total
Balance at January 1	26,518,000	35,856,000	62,374,000
Acquisitions	-	-	-
Change in fair value	15,082,000	4,744,000	19,826,000
Total	41,600,000	40,600,000	82,200,000

Changes in fair values amounting to P 14,630,000 and P 19,826,000 in 2025 and 2024, respectively, are included in Other Income in statements of comprehensive income. All gains are unrealized.

Note 7 – Trade and other payables

As of December 31, this account consists of:

	2025	2024
Trade payable	**182,646**	157,192
Payable to government agencies	**57,988**	222,633
Total	**240,634**	379,825

Payables pertains to Company obligations pertaining to other operating expenses that are expected to be settled within twelve months from the end of the reporting date and statutory payables to BIR which are remitted at an average term of 10-15 days after the end of the financial reporting period.

(In Philippine Peso)

Note 8 – Pre-need reserves

This account consists of:

	2025	2024
In-force plans	**10,986,053**	6,732,854
Lapsed	**140,513**	-
Total	**11,126,566**	6,732,854

The required pre-need reserves are based on the Actuarial Valuation Report issued by an independent actuary on the trust fund as at December 31, 2025 and 2024. The actual trust fund balance shall be the fund balance (as reported by the trustee) at the end of the year. The trust fund is sufficient to cover the required reserves as at December 31, 2025 and 2024.

Note 9 – Equity

Share capital is determined using the nominal value of shares that have been issued.

Details of the shareholder's equity as at December 31, 2025 and 2024 are as follows:

	No. of shares	Amount
Authorized capital		
Common shares of stock @ P2 par value	**75,000,000**	**150,000,000**
Issued and subscribed:		
Balance at beginning of year	**50,107,000**	**100,214,000**
Issued during the year	**-**	**-**
Share capital	**50,107,000**	**100,214,000**

In compliance with the Revised Securities Regulation Code Rule 68, the Company has total number of six (6) shareholders owning one hundred (100) or more shares each.

Note 10 – Cost and expenses

a. Cost of plan contracts issued

This account consists of the following:

	2025	2024
Increase in pre-need reserves	**4,393,711**	5,487,162
Plan redemption	**52,500**	36,500
Total	**4,446,211**	5,523,662

(In Philippine Peso)

b. General and administrative expenses

The composition of this account are as follows:

	2025	2024
Salaries and wages	**1,588,472**	3,270,309
Professional fees	**780,482**	563,740
Other services	**242,549**	306,614
Taxes and licenses	**186,335**	540,545
Marketing materials	**114,402**	358,656
Communications, light and water	**96,397**	110,416
Shared expenses	**66,998**	96,000
Software	**34,286**	38,400
Penalties	**12,038**	37,661
Small tools and equipment	**-**	32,093
Miscellaneous	**247,087**	19,253
Total	**3,369,046**	5,373,687

Miscellaneous pertains to VAT expense, bank charges and other expenses.

Note 11 – Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transfer of resources or obligations between related parties regardless of whether a value is done in an arms-length basis. The following transactions were carried out with related parties:

a. Key management personnel

The Company does not have compensation for key management personnel in 2025 and 2024. The management, accounting and compliance services are provided by The Evergreen Chapels (Pasig), Inc., a related party.

b. Details of payable to related party as of December 31 are as follows:

	2025		2024			
	Amount of Transaction	**Balance**	Amount of Transaction	Balance	Nature of Transactions	Terms & Conditions
Payable:						
Shareholders	**(3,720,884)**	**6,055,555**	2,054,319	9,776,439	Repayment of advances	Non-interest bearing; Unsecured

In the ordinary course of its operations, the Company obtains from its related parties non-interest bearing advances. Transactions with related party have no fixed repayment terms and to be settled in cash.

(In Philippine Peso)

Note 12 – Income tax

a. Income tax expense

The components of tax benefit as reported in statements of comprehensive income is as follows:

	2025	2024
Current tax:		
Taxable income (loss) at applicable tax rate	**311,371**	(161,821)
Deferred tax:		
Change in FV of investment property	**877,800**	1,189,560
Income tax expense	**1,189,171**	1,027,739

The reconciliation of provision for income tax computed at applicable statutory tax rate and provision for income tax as shown in the statements of comprehensive income is summarized as follows:

	2025	2024
Income tax at statutory rate of 25%	**3,856,993**	4,177,516
Adjustments for income subjected to lower tax rate	**(2,779,699)**	(3,766,940)
Tax effect of:		
Actual contributions in trust funds	**(864,056)**	(699,022)
Non-deductible expenses	**2,193**	25,170
Change in pre-need reserves	**1,098,428**	1,371,791
Interest income subject to final tax	**(5,239)**	(5,657)
Trust fund income subject to final tax	**(119,449)**	(75,119)
Income tax expense	**1,189,171**	1,027,739

b. Deferred income tax liabilities, net

The components of the Company's deferred income tax assets and deferred income tax liability as at December 31, 2025 and 2024 pertain to the tax effects of the following:

	2025	2024
Deferred tax assets:		
NOLCO	**-**	302,117
MCIT	**175,574**	92,514
Subtotal	**175,574**	394,631
Deferred tax liability:		
Change in FV of investment property	**(2,196,960)**	(1,319,160)
Deferred income tax liabilities, net	**(2,021,386)**	(924,529)

The deferred income tax assets were measured using the appropriate corporate income tax on the period these are expected to be reversed or settled.

For net operating carryover (NOLCO) incurred in taxable years 2020 and 2021 which can be claimed as deduction from the regular income tax for the next five (5) consecutive taxable years pursuant to Revenue Regulation 25-2020 “Bayanihan to Recover as One Act”.

For NOLCO incurred starting taxable year 2022, under Republic Act No. 8424, “An Act Amending the National Internal Revenue Code, As Amended, and for Other Purposes”, the NOLCO of a business for any taxable year immediately preceding the current taxable year, which had not been previously offset as deduction from gross income shall be carried over as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss.

During the year, the company applied NOLCO amounting to P 1,208,466 (DTA – P 302,117). The NOLCO applied relates to losses from prior periods that remain deductible under prevailing tax laws and regulations.

(In Philippine Peso)

Movement of NOLCO are as follows:

Year incurred	Amount of NOLCO	Used	Ending	Year of Expiry	DTA Equivalent
2024	647,283	647,283	-	2027	161,821
2022	561,183	561,183	-	2025	140,296
Total	**1,208,466**	**1,208,466**	-		**302,117**

Under Tax Reform Act of 1997, the Company shall pay the MCIT of the normal tax whichever is higher. MCIT is 2% of gross income as defined by the Act. Any excess of MCIT over the normal income tax shall be carried forward annually and credited against the normal income tax for the next three succeeding taxable years.

As of December 31, 2025 and 2024, the movement and year of expiry of each Company's MCIT are as follows:

Year incurred	Beginning	Additions	Used/ expired	Ending	Year of Expiry
2025	-	83,060	-	83,060	2028
2024	92,514	-	-	92,514	2027
Total	92,514	83,060	-	175,574	

c. Optional standard deduction

Effective July 2008, Republic Act 9504 was approved giving the corporate taxpayers an option to claim itemized deductions or optional standard deductions (OSD) equivalent to 40% of gross income. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made.

For the years 2025 and 2024, the Company opted claiming itemized deductions.

d. Enactment of Capital Markets Efficiency Promotion Act (CMEPA)

On May 29, 2025, the President of the Philippines signed into law the Capital Markets Efficiency Promotion Act (CMEPA) as Republic Act (RA) No. 12214 – which aims to promote a simpler, fairer, more efficient, and regionally competitive tax framework for capital markets and passive income to encourage savings and investment. The law was published in the Official Gazette and Manila Bulletin in June 2025 and took effect on July 1, 2025, following its publication.

The CMEPA amends various provisions of the National Internal Revenue Code of 1997, as amended (Tax Code). Its primary purpose is to reduce barriers to capital market participation, streamline tax compliance, lower transaction costs, and align the Philippine tax regime with international and ASEAN peers to deepen and expand the local capital markets.

Revenue Regulation (RR) 19 to 21-2025 outlines the implementing rules and regulations (IRR) to implement pursuant to RA No. 12214. Salient provisions relevant to the Company is as follows:

- Reduction of Stock Transaction Tax (STT) - STT on the sale or exchange of shares listed and traded through a local stock exchange was significantly reduced from 0.60% to 0.10% of the gross selling price or gross monetary value, making equity trading more cost-competitive.
- Adjusted Documentary Stamp Tax (DST) - The DST on the original issuance of shares of stock was reduced from 1 % to 0.75 %. Certain transactions, such as the original issuance, redemption, or transfer of mutual fund shares or UITFs, were exempted from DST.
- Uniform Tax on Interest Income - Interest income from Philippine peso and foreign currency bank deposits, deposit substitutes, trust funds, and similar arrangements are now subject to a uniform 20 % final withholding tax (FWT) regardless of instrument tenure.
- Consistent Capital Gains Tax (CGT) - Capital gains on unlisted shares, whether domestic or foreign (except if sold through a local or foreign stock exchange), are now subject to a 15 % final tax on net capital gains.
- Expanded Definition of “Securities” - The law broadens and clarifies the definition of securities to include a wider range of financial instruments, ensuring consistent tax treatment across different instruments.
- Passive Income Definition and Taxation - “Passive income” was defined for tax purposes, and the Act harmonized its taxation (e.g., interest, dividends, royalties), helping eliminate arbitrage and simplifying compliance.

- PERA Incentive - Private employers who contribute an amount equal to or greater than employees' contributions to Personal Equity and Retirement Accounts (PERA) may claim an additional 50 % tax deduction on their actual contributions (subject to applicable limits).
- Removal/Adjustment of Certain Exemptions — The Act removes select exemptions (e.g., on passive income of GOCCs and pick-ups not used for livelihood) and standardizes tax responsibilities to enhance fairness and broaden the revenue base.

This IRR was issued on August 5, 2025 and became effective on July 1, 2025.

There was no impact of the CMEPA Act to the Company's financial statements for the year ended December 31, 2025.

Note 13 – Risk management objective and policies

The Company's enterprise-wide risk management framework establishes policies, operating guidelines, risk tolerance limits and practices for risk management. It also provides oversight to the risk management activities within the company's business segment, ensuring discipline and consistency are applied to the practice of risk management.

a. Governance framework

The primary objective to the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of the Company's performance objectives. The Company recognizes the importance of having efficient risk management systems in place in order to meet its financial obligation to its planholders.

The Chief Executive Officer is responsible for establishing and implementing the risk management system to identify, control and manage risks and to continuously report to the BOD on risk management issues.

The operations Committee, which is composed of senior management, is responsible for the approval of new or modified operations policies and procedures and ensures that all marketing and finance concerns and requirements are addressed by operating departments. All staff members are responsible for taking reasonable and practicable steps to perform their responsibilities and to report through management any incident that may result in unacceptable levels of risk.

b. Regulatory framework

The operations of the Company are subject to the regulatory requirements of the SEC and the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., pre-need funds are managed by trustee banks and the nature of investment is that the trust funds can be invested in).

c. Financial risk

The main purpose of the Company's financial instruments is to fund its operations and meet the financial obligations to its planholders. The company is exposed to financial risk through its financial assets, financial liabilities and pre-need liabilities. The main risks arising from the Company's financial activities are liquidity risk and investment risks. The Board of Directors reviews and agrees on certain policies for managing some of these risks as follows:

1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

(In Philippine Peso)

The Company manages the level of credit risk it accepts through a comprehensive group credit risk policy by setting out the assessment and determination of what constitutes credit risk for the Company; providing guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and reviewing credit risk policy for pertinence and changing environment.

In respect of investment securities, the Company makes use of institutions with high credit worthiness. The Company sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long-term ratings.

Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. Deductions from agents' commissions and other cash incentives are made to establish bond reserves. The credit risk in respect to customer balances, incurred on nonpayment of premiums or contributions will only persist during the grace period specified in the plan contract on the expiry of which the policy is either paid up or terminated.

The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties and industry segments.

As of December 31, the analysis of debt instruments financial assets follows:

	2025			
	Neither past due not impaired	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	40,633,899	-	-	40,633,899
Investment in trust fund	13,081,264	-	-	13,081,264
Total	**53,715,163**	**-**	**-**	**53,715,163**

	2024			
	Neither past due not impaired	Past due but not impaired	Impaired	Total
Cash in banks	43,286,555	-	-	43,286,555
Investment in trust fund	9,035,772	-	-	9,035,772
Total	52,322,327	-	-	52,322,327

2. **Liquidity risk**

Liquidity or funding risk is the risk associated with the difficulty of selling financial assets in a timely manner at their fair value to meet obligations.

The Company manages liquidity by setting up trust funds, separate and distinct from its paid-up capital established with trustees under trust agreement approved by the IC, to pay for the planholders' benefits as provided in the Pre-need plan. The Company also specifies the minimum portion of funds to meet the portfolio mix requirement imposed by the IC with an objective to meet the short-term and long-term financial commitments.

The maturity profile of the Company's financial liabilities as of December 31, 2025 and 2024 based on contractual undiscounted payments follows:

	2025			
	Less than 3 months	**3 to 6 months**	**Over 6 months**	**Total**
Payables*	182,646	-	-	182,646
Pre-need reserves	11,126,566	-	-	11,126,566
Due to related parties	-	-	6,055,555	6,055,555
Total	**11,309,212**	**-**	**6,055,555**	**17,364,767**

**excluding payable to government agencies*

(In Philippine Peso)

	2024			
	Less than 3 months	3 to 6 months	Over 6 months	Total
Payables*	157,192	-	-	157,192
Pre-need reserves	6,732,854	-	-	6,732,854
Due to related parties	-	-	9,776,439	9,776,439
Total	6,890,046	-	9,776,439	16,666,485

**excluding payable to government agencies*

3. Market and investment risk

Market and investment risks are the risks arising from the possible decline in the value of the acquired assets and investments in equity and debt instruments.

The following policies and procedures are in the place to mitigate the Company's exposure to market risk:

- The trustee bank take positions in debt and other fixed income securities. The trustee bank's risks management activities are aimed at optimizing interest income, managing duration and portfolio positions and facilitate strategy formulation.

- A market risk policy setting out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to top management. The policy is reviewed regularly for pertinence and for changes in the risk environment.

- Stipulated diversification benchmark by type of instruments

Cash in banks and financial assets - equity securities are used for the Company's liquidity requirements. Please refer to the terms and maturity profile of these financial assets under the maturity profile section.

4. Fair value 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 (Note 5). 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.

(In Philippine Peso)

Note 14 – Fair value measurement

a. Financial instruments

The following table shows the carrying values of financial assets and financial liabilities recognized as of December 31:

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Cash in banks	**40,633,899**	**40,633,899**	43,286,555	43,286,555
Investment in trust fund	**13,081,264**	**13,081,264**	9,035,772	9,035,772
Total	**53,715,163**	**53,715,163**	52,322,327	52,322,327

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial liabilities				
Payables*	**182,646**	**182,646**	157,192	157,192
Pre-need reserves	**11,126,566**	**11,126,566**	6,732,854	6,732,854
Due to related parties	**6,055,555**	**6,055,555**	9,776,439	9,776,439
Total	**17,364,767**	**17,364,767**	16,666,485	16,666,485

**excluding payable to government agencies*

Due to the short-term nature of the financial assets, their carrying values reasonably approximate fair value at year end.

b. Fair value hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial 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:

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource 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 financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers among Levels 1, 2 and 3 in the reporting periods.

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.

(In Philippine Peso)

As at December 31, 2025 and 2024, there are no financial assets and liabilities measured at fair value.

c. Fair value measurement of non-financial assets

The non-financial assets measured at fair value as at December 31, 2025 and 2024 pertains to investment property.

The fair value disclosed for the Company's investment property is based on Level 2. The Level 2 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations and by reference to the present value of expected future cash inflows from the lease of the property as of the end of the reporting period discounted at market prevailing rates. 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 or determining the present value of expected future cash inflows from the lease of properties, fair value is included in Level 2 (Note 6)

Note 15 – Supplementary Information under Bureau of Internal Revenue's (BIR) Revenue Regulation (RR)

The following supplementary information are presented for purposes of filing with the BIR and are not a required part of the basic financial statements.

a. RR 15 - 2010

In compliance with BIR RR No. 15-2010 issued last November 25, 2010, "Amending Certain Provisions of Revenue Regulations No. 21-2002, As Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in connection with the preparation and submission of financial statements accompanying the tax returns", the following are the additional disclosures pertaining to taxes, duties and license fees paid and/or accrued during the taxable year 2025:

1. Output VAT

	Tax Base	Output Tax
VATable receipts	**1,675,012**	**201,001**
Exempt sales	**6,427,680**	**-**
Total	**8,102,692**	**201,001**

2. Input VAT

Balance at January 1	**-**
Current year's purchases	**114,891**
Total available input VAT	**114,891**
Claims for tax credit/refund and other adjustments	**(114,891)**
Balance at December 31	**-**

3. Taxes and licenses

Business licenses and permits	**122,471**
Documentary stamp tax	**31,292**
Real property tax	**31,192**
Others	**1,380**
Total	**186,335**

(In Philippine Peso)

4. Withholding taxes paid/accrued for the year:

Withholding taxes on compensation and benefits	**41,807**
Expanded withholding taxes	**14,393**
Total	**56,200**

5. Tax case/ assessments

   The Company does not have any pending tax case or assessments.

b. RR 34-2020

On December 18, 2020, the BIR issued RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and offer supporting documents. As at December 31, 2025, the Company is not covered by the requirements and procedures for related party transactions provided under this RR.