SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: CS201421675
Company Name: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - CEBU INC.
Industry Classification: N85129
Company Type: Stock Corporation

Document Information

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COVER SHEET

C	S	2	0	1	4	2	1	6	7	5

S.E.C. Registration Number

A	L	L	I	E	D		C	A	R	E		E	X	P	E	R	T	S	(	A	C	E	)						

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

MARIETTA T. SAMOY

Contact Person

032-2655833

Company Telephone Number

1	2

Month

3	1

Day

	1	7	A	

FORM TYPE

0	4

Month

Day

Fiscal Year

Annual Meeting

PERMIT TO SELL SECURITIES

Secondary License Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

2,086

Total No. of Stockholders

Domestic

Foreign

Top be accomplished by SEC Personnel concerned

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LCU

CASHIER

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended ... December 31, 2025

2. SEC Identification Number … CS201421675

3. BIR Tax Identification No. ...008-899-890-000

4. Exact name of issuer as specified in its charter…Allied Care Experts (ACE) Medical Center-Cebu Inc.

5. Philippines
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. 982 N. Bacalso Avenue, Brgy Basak, Pardo, Cebu City — 6000
Address of principal office — Postal Code

8. (032) 2655833
Issuer's telephone number, including area code

9. N/A
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	228,976
Debt Outstanding	₱ 921,365,936

11. Are any or all of these securities listed on a Stock Exchange.

Yes [ ] No [x]

If yes, state the name of such stock exchange and the classes of securities listed therein:

_____ _____

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports).

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”).

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [ ] Not applicable [x]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

A. Business Development

Allied Care Experts (ACE) Medical Center – Cebu, Inc. (herein referred to as the "Company") was organized and incorporated under the Philippine laws and registered with the Securities and Exchange Commission on November 7, 2014 under SEC Registration No. CS201421675. The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and business such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinic, condo-hospital, scientific research institutions and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licenses physicians or surgeons who may or who may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The registered office address of the Company is located 982 N. Bacalso Avenue, Basak Pardo, Cebu City. The Company commenced its commercial operations on December 26, 2020, following the completion of the construction of the hospital and acquisition of its medical facilities. The hospital building includes leasable clinical facilities for medical and dental practitioners, who are also shareholders of the Company.

The Company's secondary license to sell its common shares to the public pursuant to Section 12 of the Securities Regulation Code (SRC) was approved on December 27, 2018.

ACE Medical Center - Cebu has set up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic, and holistic approach to its goal in providing the best quality and justifiable medical services to its clients and stakeholders. ACE Medical Center - Cebu is an 8-storey 175-bed capacity hospital with a 3 level basement parking and a helipad, with total floor area of 25,325sq.m. constructed in a 3,948sq.m. property located in the center of South Cebu City, along N. Bacalso Ave., Barangay Basak Pardo. It is a multidisciplinary specialty medical facility that houses medical specialists who are subscribers to the capital stock of the Corporation. The intended and considered markets for its shares are mostly medical specialists and individuals who are related to medical specialists.

As of December 31, 2025, the Hospital has expanded its service offerings, including the introduction of various operating procedure packages and the upgrading of equipment within its Endoscopy unit. The Hospital has also begun offering select services covered by PhilHealth, which in certain cases result in zero balance billing for qualified patients.

The Hospital continues to provide a wide range of diagnostic and medical services to its patients. The medical office building, which includes clinical spaces available for lease to medical and dental practitioners who are shareholders of the Company, has shown continued growth in occupancy. Out of a total of 56 clinic units, 28 are currently occupied, reflecting steady progress in the engagement of physician-partners.

Furthermore, the Hospital has expanded its workforce to meet operational demands, employing a total of 271 personnel as of the end of 2025, thereby supporting its capacity to deliver quality healthcare services efficiently.

Competition and Business Analysis

The Company belongs to the industry which caters to the need of the public and medical specialists for hospital facilities. There are no recognized trends within such industry. The geographic area of competition is within Cebu City and over the five (5) kilometer radius to the north and the south where the following hospitals are operating:

HOSPITAL	LOCATION	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION (PHIC list)
St Anthony Mother & Child Hospital	Mambaling	25	Public	Level I
Adventist Hospital	San Nicolas	100	Private	Level II
St. Vincent General Hospital	Sambag I	100	Private	Level II
Sacred Heart Hospital	Sambag II	150	Private	Level II
Chong Hua Hospital	Capitol	660	Private	Level III
Cebu Doctors' University Hospital	Capitol	300	Private	Level III
Cebu South Medical Center (formerly Talisay District Hospital)	Talisay	250	Public	Level II
Vicente Sotto Memorial Medical Center	Sambag II	1,200	Public	Level III
Cebu Velez General Hospital	Cogon – Ramos	200	Private	Level III
Visayas Community Medical Center	Cogon – Ramos	200	Private	Level III

The Company's bigger competitors are located in the north of Cebu City; on the other hand, the Company's hospital is located in the southern part where it will be directly competing with only the smaller hospitals. The reasonable price, quality of medical care and facilities of the Company will be its edge over its competitors.

The Company is not expected to be dependent upon one or a limited number of suppliers for its hospital equipment, essential medical supplies, and other supplies. The following are the Company's principal suppliers:

1. Labsolution Technologies, Inc. – laboratory reagents.
2. Zion Diagnostics, Inc. – laboratory reagents
3. Medgistix Corporation – laboratory reagents and supplies
4. Ellegold Marketing – personal protective equipment and other medical supplies
5. B. Braun Avitum Phils, Inc. – dialysis supplies
6. Cebu Legacy Marketing Corporation – oxygen supplies
7. Scientific Biotech Specialties Inc. – laboratory reagents and supplies
8. Berovan Marketing – medical supplies
9. Zuellig Pharma Corporation . – drugs and medicines
10. Vac Medical Supplies – medical supplies
11. Dynasty Pharmaceuticals – drugs and medicines
12. Euro-Med Laboratories Phil., Inc. – drugs and medicines
13. Choitango Medical Solutions Enterprises – contrast media
14. Blue Medceuticals – drugs and medicines
15. CV Clearvue Pharma Inc. – drugs and medicines

Government Regulation

ACE Medical Center - Cebu, Inc. has secured the necessary permits to operate the hospital from the national and local government entities particularly the License to Operate (LTO) from the DOH, the Environmental Compliance Certificate and Hazardous Waste Generators ID from DENR, the Food and Drug Administration license for both the Pharmacy and Radiology Unit, the PDEA license for the regulated and controlled drugs, and the Business Permit and Sanitary Permit from the Cebu City Government. It has also secured accreditation with the Philippine Health Insurance Corporation (PHIC) and the Philippine Hospital Association.

All licenses and accreditations have been renewed.

Total Number of Employees

Total Number of Full Time-Employees (As of March 31, 2026):

	CBA	Non-CBA	Total
Rank and File	-	255	255
Supervisors	-	14	14
Managers and Top Management	-	2	2
Total	-	271	271

The hospital is expected to hire more employees once the occupancy rate of the hospital increases in the coming months.

Risk Management

Difficulty to Collect from Patients **–** The Company (like all other hospitals) has allocated funds for possible uncollectible revenues from some patients and “charity” cases. It has also tapped PCSO, DSWD, CHAMP, MAIFIPP to help indigent patients. The Company has affiliated itself with the different HMOs available in Cebu City to mitigate or reduce promissory notes.

Limited Resources/Losses – The Issuer mitigates such risk through availing of the credit line facility with the Land Bank of the Philippines (LBP) totaling to PHP 900,000,000.00 (500M for Hospital Building/Building equipment, 350M for medical/hospital equipment and 75M for the short-term loan). As of December 31, 2024, the company has fully utilized its existing credit line facility with LBP and has consolidated all term and short-term loans into a single restructured loan.

"Landbank of the Philippines
The Company obtained credit lines with various drawdown dates from Landbank of the Philippines (LBP) on September 1, 2016, amounting to PHP 465 million payable in ten (10) years and PHP 35 million payable in seven (7) years, and on August 24, 2019 amounting to PHP 350 million payable in seven (7) years. The purpose of the PHP 465 million term loan was to finance the construction of the hospital building while the PHP 35 million and PHP 350 million term loans were for the acquisition of various medical machines and equipment. In 2021, the Company availed of its preapproved Short-term Loan amounting to PHP 75 million to use in the hospital operations.”

Key Personnel **–** To prevent attrition, the Issuer intends to provide a competitive compensation package and full benefits for its Management and Key Officers. The Human Resources Department will likewise maintain a program that will enhance and develop the career path of key officers and employees to ensure continued loyalty to the Company.

Government Regulations **–** The Company complies with local and national rules and regulations. If the Company fails to comply with a rule or regulation, it may be subject to fines or other penalties, or its permit or license may be revoked or suspended.

Healthcare infections **–** The Company has put in place an Infection Control Service, guided by the Infection Control Committee, that implements and continually updates infection control policies. Likewise, it has set up a Covid Task Force to help the Infection Control Service in dealing with the pandemic. The role of the Covid Task Force to ensure that the best practices in addressing Covid-19 is put in place such as having a separate floor for Covid positive or probable patients and the like. The Company has also provided its employees and doctors the necessary personal protective equipment (masks, haz-mat, goggles, gloves, face shields, etc.) to protect them from acquiring healthcare-related infections. Also, the hospital has nine (9) isolation units located at the following areas: emergency room (1), NICU (1), ICU (1) and the patient care floors (6). The 7th floor became the dedicated Covid wing for those with positive RT-PCR results and those waiting for their results.

Disaster risks/pandemics **–** The Company has policies in place to guide its employees in the event of a disaster or pandemic. It has a Disaster Risk Management and Safety Committee, which meets regularly and oversees staff training. Fire and Earthquake drills are conducted annually with the guidance of the Bureau of Fire and Protection (BFP). In addition to the policies and trainings, the hospital is equipped with two (2) generators, a computer system with a Cloud back up and firewall to prevent loss of data and hacking, and adequate UPS to prevent auto shutdown and malfunction of equipment.

As mentioned above, a task force was created to respond to the ongoing pandemic. The role of the task force is to protect the employees from getting the virus by conducting trainings on the proper donning and doffing of the personal protective equipment, basic healthcare protocols and the like.

Hazardous material events, such as chemical/radiological exposure **–** The Company has policies in place to prevent chemical spills and radiological exposure. The staff are trained on how to handle chemicals to avoid spills and respond to possible chemical spills. Likewise, badges have been installed on equipment that are sources of radiation. These badges measure the level of radiation that the equipment is emitting hence leaks are immediately detected. All Radiology staff are given individual badges to measure their exposure to radiation. The Company has engaged the services of PASSI to collect its hazardous waste. Proper segregation of waste is also strictly implemented with the availability of the Materials Recovery Facility.

Taxation **–** Existing tax rates may increase in the future or existing tax exemptions and deductions may likewise be revoked, adversely affecting the Company's revenues. Similarly, such tax rates may decrease, or new exemptions and deductions may be created, to the Company's benefit.

Litigation/Administrative Actions **–** The Company may be exposed to litigation expenses relating to the hospital operations, matters involving its Board of Directors and Management, policies implemented and its management decisions. The hospital, being a corporation, is also exposed to litigation involving its shareholders. A continued litigation or adverse decision may substantially affect the Company's finances.

The Company can mitigate said risk by engaging competent legal practitioners that are well versed with the issues and are able to protect the best interest of the Company.

Item 2. Properties

A. Principal Properties Owned

The following properties were acquired in the name of the Company:

a) Land

Location	Land Area	Current and Intended Use	Cost
Center of South Cebu City, along N. Bacalso Ave., at Barangay Basak Pardo, Cebu City	4,430 sq. m	Operations	PHP 277,318,000.00

b) Building

Asset Code	Description	Current and Intended Use	Cost
	8-storey building with 3-level basement parking and helipad with a floor area totaling 25,325 square meters	Operations	PHP 946,973,787.00

c) Transportation Equipment

Asset Code	Description	Current and Intended Use	Cost
10033	Transportation Equipment	Operations	PHP 4,000,101.00

d) Office Furniture and Equipment

Asset Code	Description	Current and Intended Use	Cost
10031	Office Furnitures, Fixtures and Equipment	Operations	PHP 18,399,141.00

e) Dietary Tools and Equipment

Asset Code	Description	Current and Intended Use	Cost
	Various Dietary Tools and Equipment	Operations	PHP 686,368.00

f) Medical Equipment

Asset Code	Description	Current and Intended Use	Cost
10031	Various Medical Equipment	Operations	PHP 185,552,353.00

Item 3. Legal Proceedings

The following are the cases involving the Company:

Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) - Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. ACE Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald L. Ramiro, Marietta T. Samoy and Evangeline Y. Zozobrado

On March 7, 2018, complainants Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia, through counsel filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in

installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants have already filed their Answer to the Complaint.

We filed a Motion to Dismiss the Complaint for lack of interest of the plaintiffs to prosecute the case last August 5, 2020. A Judicial Dispute Resolution was scheduled but failed. Case is up for pre-trial conference.

The judicial dispute resolution (JDR) failed. The case is up for pre-trial conference on April 13, 2023

The 13 April 2023 pre-trial of the case was cancelled and moved to 02 June 2023 at 10:45am. The 02 June 2023 pre-trial was cancelled and moved to 11 August 2023 at 10:45am. The 11 August 2023 pre-trial was cancelled and moved to 20 October 2023 at 10:00 in the morning.

During the 20 October 2023, the plaintiffs' counsel asked the Court to render a partial judgment recognizing the sale in installment as a subscription contract. We objected and requested that their request for partial judgment be put into writing so that we can make an informed comment on the matter. Plaintiffs were given 15 days to file and the same number of days was granted to us to comment on their filing. The next pre-trial is scheduled on 22 December 2023 at 10:00 in the morning. The 22 December 2023 hearing was reset to 15
March 2024 at 10:30 am.

On October 17, 2024, Baduel Espina & Associates confirmed their appearance during the October 16, 2024 hearing. The court needed more time to resolve the plaintiff's Motion for Partial Summary Judgment, and the pre-trial conference was rescheduled to February 05, 2025.

On May 23, 2025, during the pre-trial hearing, the Court informed the parties and counsels that the draft resolution on the motion for partial summary judgment had not yet been finalized. Consequently, the pre-trial conference was rescheduled to July 25, 2025, at 10:00 a.m.

Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) – Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez, Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald S. Ramiro, Marietta T. Samoy, and Evangeline Y. Zozobrado

On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants (based in Cebu) have already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgment, but the same was opposed by the defendants on May 15, 2018. The Court has not yet ruled on the plaintiff's Motion for Partial Summary Judgment of May 2, 2018. Unless the Court resolves the Motion for Summary Judgment by the plaintiff, the case will not move on.

The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for Pre-Trial on April 30, 2021. Pre-trial was terminated. Case is set for presentation of plaintiff's evidence.

The Court rendered on August 9, 2022 a partial summary judgement on plaintiff's prayer for issuance of certificate of stock leaving the other issues sought for trial on the merits. However, instead of presenting his evidence plaintiff filed a motion to submit the case for decision based on legal issues through the filing of memorandum which is still pending for resolution.

Plaintiff has submitted his motion to submit case for decision based on legal issues, which was submitted to the Court on October 24, 2022. We filed our comment on November 7, 2022. We received an order dated 30 June 2023 where the Court has granted the motion to submit case for decision based on legal issues dated 18 October 2022. The Presiding Judge has granted both parties to file their respective memorandum, which shall be limited to the issue of the extent of plaintiff's preemptive right to purchase/subscribe to shares of stock in view of the defendant Corporation's increase in its capital stock, within 30 days from receipt of said order.

Our Counsel filed a Motion for Reconsideration to set aside and deny Plaintiff's motion to submit case for decision based on the sole issue of whether the plaintiff is entitled to the preemptive right to subscribe to one block of share equivalent to 10 shares or only for 3 shares for utter lack of merit. The Plaintiff's Counsel opposed the Motion for Reconsideration filed by our Counsel. Awaiting decision of the Court on both Motion's.

Special Civil Action Case No. R-CEB-18-08795-SC, Branch XI, Cebu City (For Mandamus to Issue 100% Pre-Emptive Rights, Damages and for Attorney's Fees) - Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. Al vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez and Velma T. Chan

The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

Respondents received the Court Order on 11 December 2018. On November 25, 2020 at 8:30AM, a Judicial Dispute Resolution was conducted by RTC Branch 12, Cebu City via video conference hearing. Both parties did not come into an agreement. The Petitioners demanded PHP 600,000.00 from the Respondents. The case was scheduled for Pre-Trial on June 11, 2021. Pre-trial was terminated. Case is set for presentation of petitioners' evidence.

Presentation of petitioners' evidence. Petitioners have so far presented two (2) witnesses.

Petitioners have submitted their motion to submit case for decision based on legal issues, which was submitted on November 7, 2022. Case has been submitted for resolution. Last February 3, 2023, the scheduled hearing pushed through, and Counsel appeared for and on behalf of ACEMCCEBU, despite the pending motion.

On February 15, 2023, the Court denied the request of the Petitioners' motion to submit the case for decision based on the remaining sole legal issue. As stated in the Order, the presentation of evidence for the petitioners will push through as scheduled on 03 March 2023 at 10:45 in the morning. The hearing was cancelled upon receipt of a Constancia dated 27 February 2023 and reset to 28 April 2023 at 10:45 in the morning.

During the 28 April 2023 hearing, the Court still needs to resolve the pending Motion for Reconsideration filed by the Petitioners. Without prejudice to the resolution of the pending incident, the next hearing is set at on 30 June 2023 at 10:45am for presentation of Petitioners' evidence. Considering petitioners' motion for reconsideration has yet to be resolved, the 30 June 2023 hearing was reset to 28 July 2023 at 10:45 am. Due to the pending motion for reconsideration, the 28 July 2023 hearing was reset to 25 August 2023 at 10:45am. The 25 August 2023 was rescheduled to 29 September 2023 at 10:45am. The 29 September 2023 hearing was reset to 14 December 2023 at 10:45am. The 14 December 2023 hearing was reset to 15 March 2024 at 8:30am.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders due to disagreement with the registrant on any matter relating to the registrant's operations, policies, and practices.

On September 26, 2024, Court hearing where the cross-examination of Mr. Peter Sylianco was continued. The petitioners were granted five days to file their Reply to the opposing party's Motion for Production, Inspection, and Photocopying of Documents, with the opportunity for the opposing side to file a rejoinder within the same period. Reimbursement requests for transcript costs were also submitted. The next scheduled, October 24, 2024, hearing for the continuation of petitioners' evidence presentation, with unspecified subsequent procedural activities. November 28, 2024, attendance confirmed for a hearing focusing on the continuation of the presentation of evidence. Petitioners intended to present Atty. Jarred Cabilte. December 12, 2024, the parties confirmed their appearance to continue cross-examination of Leo Sumatra and other petitioners' evidence. Additional scheduled dates include March 28, April 25, and May 23, 2025, among others, for various stages of evidence presentation and testimony.

PART II – SECURITIES OF THE REGISTRANT

A. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's common equity are sold through its own internal staff. The shares are sold in tranches for easier administration and on a first-come, first-served basis, subject to pre-qualification procedures. The high and low sales prices by quarter for the last two (2) years are as follows:

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		1st Quarter
Market Price	2024	2025	2024	2025	2024	2025	2024	2025	2026
High	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Low	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300.000

The price as of April 20, 2026 (latest practicable trading date) is PHP 300,000.00.

(2) Holders

There are approximately 2,100 holders of common shares and 54 holders of founders' shares of the Company as of 31 December 2025.

TOP 20 STOCKHOLDERS AS OF DECEMBER 31, 2025

No.	NAME OF STOCKHOLDER	NUMBER OF SHARE	AMOUNT (PHP)	% OF OWNERSHIP
1.	Amado Manuel Enriquez	21,322	21,322,000	9.45%
2.	Velma Chan	7,115	7,115,000	3.15%
3.	Generoso Orillaza	3,553	3,553,000	1.57%
4.	Joy Luna	3,553	3,553,000	1.57%
5.	Michael Edward Enriquez	3,553	3,553,000	1.57%
6.	Evangeline Zozobrado	3,553	3,553,000	1.57%
7.	Geanie Cerna-Lopez	3,553	3,553,000	1.57%
8.	Mc Arthur Conrado Salonga	3,553	3,553,000	1.57%
9.	Nicolas Molon	3,553	3,553,000	1.57%
10.	Fay Jasmine De Los Santos	3,553	3,553,000	1.57%
11.	Julio Gonzalez	3,553	3,553,000	1.57%
12.	Marietta Samoy	3,553	3,553,000	1.57%
13.	Marilyn Enriquez	3,553	3,553,000	1.57%
14.	Miguel Enriquez	3,553	3,553,000	1.57%
15.	Agustin Zozobrado	3,553	3,553,000	1.57%
16.	Kaye Pamela Zozobrado	3,553	3,553,000	1.57%
17.	Roseller Gartalia	3,553	3,553,000	1.57%
18.	Mark Joseph Lopez	3,553	3,553,000	1.57%
19.	Marissa Orillaza	3,553	3,553,000	1.57%
20.	Ma. Asuncion Hipolita Libre	3,553	3,553,000	1.57%

(3) Dividends

Dividend Information on the Two Most Recent Fiscal Years

No dividends were issued in the last two (2) years since the Company does not have any retained earnings as it is still in its first year of operation. As of December 31, 2020, based on the loan agreement with the bank, a restriction was made limiting the company to pay dividends in the future unless appropriation is otherwise made as approved by the Board of Directors.

In 2024, the Company issued 54,000 common shares at ₱1,000 per share, drawn from the unissued portion of the Corporation's 240,000 authorized shares.

PART III. FINANCIAL INFORMATION

A. Management's Discussion and Analysis or Plan of Operation

Management's Discussion and Analysis

The following table shows the financial highlights of the Company for the years then ended December 31, 2025, 2024 and 2023:

	As of December 31		
	2025	2024	2023
Income Statement Data			
Revenue	P 299,606,297	P 224,919,469	P 216,551,056
Other Income	6,126,360	18,679,129	4,952,424
Cost of Sales and Services	(223,708,435)	(185,307,313)	(207,155,016)
Operating expenses	(63,889,833)	(66,658,730)	(72,362,056)
Finance cost	(101,236,324)	(83,987,936)	(65,198,331)
Operating Loss	(83,101,935)	(92,355,381)	(123,248,236)
Income tax benefit (expense)	(18,126,126)	23,040,641	30,813,812
Net loss for the year	(101,228,061)	(69,314,740)	(92,434,424)
Other Comprehensive income	-	-	126,523,098
Total Comprehensive Income (loss)	(101,228,061)	(69,314,740)	34,088,674

Revenue

Revenue generated for the year 2025 amounts ₱299.6M. This was from Hospital fees and sales of medicines, net of discounts. This increased by 33% as compared to 2024.

Cost of sales and services

Cost of sales and services in 2025 has increased by 21% or ₱38.4M. This was directly associated with the increase in hospital's revenue for the year. The major component of the cost of sales and services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.

Operating Expenses

Operating expenses decreased by 4%. The decrease was primarily attributable to the decrease in salaries and wages, security services, insurance, training, fines and penalties and taxes and licenses. This is negated by increase in light, water and communication, salaries and wages, professional fees, office supplies, credit losses, depreciation expense, meetings and conferences, repairs and maintenance, amortization, and miscellaneous expenses.

Other income

Other income for the year 2025 decreases by 67% as compared with the year 2024. The decrease was due significant decrease in recovery of credit losses as the hospital recognized additional allowance for credit losses during the year.

Finance costs

Finance cost increased by 21%. This was due to settlement and restructuring of loan balance due to request for deferment of loan payments.

Income tax benefit

Income tax benefit decreased by 179%. This was primarily due to the reversal of the deferred tax benefit as a result of expiration of NOLCO incurred for the years 2020 and 2022. This resulted to the recognition of income tax expense for the year 2025.

Net loss for the year

Net loss for the year 2025 is higher by ₱31.91M or 46%. This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022.

Other comprehensive income for the year

There was no other comprehensive income for the year 2025 since there was no revaluation on land recognized for the year.

Total Comprehensive Income (loss) for the year

Total Comprehensive income (loss) for the year 2025 increased by 46%. This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022.

			Horizontal Analysis		Vertical Analysis	
	31-Dec-2025	31-Dec-2024	Inc(Dec)	%age	31-Dec-2025	31-Dec-2024
ASSETS						
Current Assets						
Cash	₱ 40,799,968	₱ 27,922,458	₱ 12,877,510	46%	3%	2%
Trade and other receivables	32,918,060	30,801,758	2,116,302	7%	2%	2%
Inventories	16,738,024	17,637,344	(899,320)	-5%	1%	1%
Prepayments and other current assets	69,374,769	80,110,319	(10,735,550)	-13%	5%	5%
Total Current Assets	**159,830,821**	**156,471,879**	**3,358,942**	**2%**	**11%**	**10%**
Non-current Assets						
Property and equipment, net	1,229,847,399	1,266,500,187	(36,652,788)	-3%	85%	84%
Intangible assets	1,241,026	1,637,908	(396,882)	-24%	0%	0%
Deferred tax asset	61,163,467	77,649,265	(16,485,798)	-21%	4%	5%
Total Non-Current Assets	**1,292,251,892**	**1,345,787,360**	**(53,535,468)**	**-4%**	**89%**	**90%**
Total Assets	**₱ 1,452,082,713**	**₱ 1,502,259,239**	**₱ (50,176,526)**	**-3%**	**100%**	**100%**
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 227,497,994	₱ 186,321,295	₱ 41,176,699	22%	16%	12%
Loans payable - current	145,632,466	121,540,391	24,092,075	20%	10%	8%
Retention and professional fees payable	16,178,250	16,815,238	(636,988)	-4%	1%	1%
Deposit for future stock subscription	1,129,605	1,129,605	-	100%	0%	0%
Other current liabilities	2,254,540	3,074,615	(820,075)	-27%	0%	0%
Total Current Liabilities	**392,692,855**	**328,881,144**	**63,811,711**	**19%**	**27%**	**22%**
Non-Current Liabilities						
Loans payable - non current	775,733,470	791,640,646	(15,907,176)	-2%	53%	53%
Total Liabilities	**1,168,426,325**	**1,120,521,790**	**47,904,535**	**4%**	**80%**	**75%**
Equity						
Share capital	226,530,000	226,170,000	360,000	0%	16%	15%
Share premium	496,166,706	495,006,706	1,160,000	0%	34%	33%
Subscribed capital stock	2,945,000	3,265,000	(320,000)	-10%	0%	0%
Subscription receivable	(23,885,267)	(26,020,267)	(2,135,000)	-8%	-2%	-2%
Treasury shares	(8,454,000)	(8,266,000)	188,000	2%	-1%	-1%
Other comprehensive income	126,523,098	126,523,098	-	100%	9%	8%
Accumulated Deficits	(536,169,149)	(434,941,088)	101,228,061	23%	-37%	-29%
Equity, Net	**283,656,388**	**381,737,449**	**(98,081,061)**	**-26%**	**100%**	**100%**
Total Liabilites and Equity	**₱ 1,452,082,713**	**₱ 1,502,259,239**	**₱ (50,176,526)**	**-3%**	**100%**	**100%**

Financial Condition

Total assets decreased from ₱1.502B to ₱1.452B. The decrease was primarily due to the decrease in inventories, prepayments and other current assets, property and equipment, intangible assets, and deferred tax assets. This was negated by the increase in cash and trade and other receivables.

Cash increased by ₱12.8M primarily due to proceeds from issuance of shares, loans and cash generated from operation. This is negated by acquisition of property and equipment and principal and interest payments on loans.

Trade and other receivables increased by ₱2.1M primarily due to increase in trade receivables and recognition of additional receivables in relation to the pending case with previous employee.

Subscription receivable decreased by ₱2.1M. Collection for the period is higher than the additional partially paid subscriptions. Subscription receivable is presented as contra equity account in the statements of financial position.

The decrease in inventories by ₱.899M pertains mainly to decrease in office supplies and dietary supplies.

Prepayments and other current assets decreased by ₱10.7M. This is primarily due to the decrease in advanced payments made to suppliers for hospital equipment, VAT Input and supplies and prepaid tax on compensation. This was negated by increase in prepaid income tax and creditable withholding tax.

Property and equipment decreased by ₱36.65M. This was primarily due to depreciation expense amounting to ₱41.27M. This was negated by additional transportation equipment, office furniture and fixture and medical equipment amounting to ₱4.62M

The decrease in Intangible asset pertains mainly to the amortization for the year negated by the additional cost for the year of ₱.243M.

Deferred tax asset decreased by ₱16.48M primarily due to the reversal of DTA on expired NOLCO for the years 2022 and 2022. This is negated by the recognition of DTA on MCIT for the year 2025 and additional allowance for credit losses.

Total liabilities increased by ₱47.90M. The increase was primarily due to increase in trade and other payables and loans payable which was negated by partial payment of loans, decrease in other current liabilities and payment of retention payable.

Trade and other payables increased by ₱41.18M mainly due to the increase in accrued expenses due to increase in unpaid interest. This is negated by the decrease in trade payables.

The decreased in retention payables amounting to ₱636K pertains mainly to the payment of retention payable.

Loans payable represents interest-bearing loan from Banks and shareholders and others in support of the construction of the Company's hospital building, acquisition of hospital and medical equipment, transportation equipment and furniture and fixtures and permanent working capital requirement of the hospital operation. The net increase of ₱8.18M was due to the additional loan of ₱13.18M in 2025 net of the partial payments of ₱4.99M.

The decrease of ₱.820M in other current liabilities was due to decrease in statutory payables.

The ₱98.08M decrease in total equity is primarily due to additional losses and treasury shares. This was negated by increase in share capital and share premium for the year 2025.

KEY PERFORMANCE INDICATORS

	Dec. 31, *2025*	Dec. 31, *2024*	Dec. 31, *2023*
1. Liquidity			
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + receivables) / current liabilities]	0.254:1	0.232:1	0.082:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.477:1	0.476:1	0.215:1
2. Solvency			
a. Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	3.657:1	2.935:1	2.762:1
3. Profitability			
a. Net profit margin - ability to generate surplus for stockholder (net income / sales)	(0.250):1	(0.308):1	(0.427):1
b. Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	(0.253):1	(0.179):1	(0.229):1
4. Leverage			
a. Debt to total asset ratio - the proportion of total assets financed by creditors. (total liabilities / total assets)	0.785:1	0.746:1	0.734:1
b. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	4.657:1	3.935:1	3.762:1
5. Interest Rate Coverage Ratio			
a. Interest rate coverage ratio - measure of the company's ability to meet its interest payments (earnings before interest and taxes / interest expense) Remarks: The Company was able to meet its interest payments.	0.261:1	(0.100):1	(0.890):1

DECEMBER 31, 2025 COMPARED TO DECEMBER 31, 2024

Changes in Operating Results

Revenue generated for the year 2025 amounts ₱299.6M. This was from Hospital fees and sales of medicines, net of discounts. This increased by 33% as compared to 2024.

Cost of sales and services in 2025 has increased by 21% or ₱38.4M. This was directly associated with the increase in hospital's revenue for the year. The major component of the cost of sales and

services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.

Operating expenses decreased by 4%. The decrease was primarily attributable to the decrease in salaries and wages, security services, insurance, training, fines and penalties and taxes and licenses. This is negated by increase in light, water and communication, salaries and wages, professional fees, office supplies, credit losses, depreciation expense, meetings and conferences, repairs and maintenance, amortization, and miscellaneous expenses.

Other income for the year 2025 decreases by 67% as compared with the year 2024. The decrease was due significant decrease in recovery of credit losses as the hospital recognized additional allowance for credit losses during the year.

Finance cost increased by 21%. This was due to settlement and restructuring of loan balance due to request for deferment of loan payments.

Income tax benefit decreased by 179%. This was primarily due to the reversal of the deferred tax benefit as a result of expiration of NOLCO incurred for the years 2020 and 2022. This resulted to the recognition of income tax expense for the year 2025.

Net loss for the year 2025 is higher by ₱31.91M or 46%. This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022.

There was no other comprehensive income for the year 2025 since there was no revaluation on land recognized for the year.

Total Comprehensive income (loss) for the year 2025 increased by 46%. This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022.

Changes in Financial Condition

Total assets decreased from ₱1.502B to ₱1.452B. The decrease was primarily due to the decrease in inventories, prepayments and other current assets, property and equipment, intangible assets, and deferred tax assets. This was negated by the increase in cash and trade and other receivables.

Cash increased by ₱12.8M primarily due to proceeds from issuance of shares, loans and cash generated from operation. This is negated by acquisition of property and equipment and principal and interest payments on loans.

Trade and other receivables increased by ₱2.1M primarily due to increase in trade receivables and recognition of additional receivables in relation to the pending case with previous employee.

Subscription receivable decreased by ₱2.1M. Collection for the period is higher than the additional partially paid subscriptions. Subscription receivable is presented as contra equity account in the statements of financial position.

The decrease in inventories by ₱.899M pertains mainly to decrease in office supplies and dietary supplies.

Prepayments and other current assets decreased by ₱10.7M. This is primarily due to the decrease in advanced payments made to suppliers for hospital equipment, VAT Input and supplies and prepaid tax on compensation. This was negated by increase in prepaid income tax and creditable withholding tax.

Property and equipment decreased by ₱36.65M. This was primarily due to depreciation expense amounting to ₱41.27M. This was negated by additional transportation equipment, office furniture and fixture and medical equipment amounting to ₱4.62M

The decrease in Intangible asset pertains mainly to the amortization for the year negated by the additional cost for the year of ₱.243M.

Deferred tax asset decreased by ₱16.48M primarily due to the reversal of DTA on expired NOLCO for the years 2022 and 2022. This is negated by the recognition of DTA on MCIT for the year 2025 and additional allowance for credit losses.

Total liabilities increased by ₱47.90M. The increase was primarily due to increase in trade and other payables and loans payable which was negated by partial payment of loans, decrease in other current liabilities and payment of retention payable.

Trade and other payables increased by ₱41.18M mainly due to the increase in accrued expenses due to increase in unpaid interest. This is negated by the decrease in trade payables.

The decreased in retention payables amounting to ₱636K pertains mainly to the payment of retention payable.

Loans payable represents interest-bearing loan from Banks and shareholders and others in support of the construction of the Company's hospital building, acquisition of hospital and medical equipment, transportation equipment and furniture and fixtures and permanent working capital requirement of the hospital operation. The net increase of ₱8.18M was due to the additional loan of ₱13.18M in 2025 net of the partial payments of ₱4.99M.

The decrease of ₱.820M in other current liabilities was due to decrease in statutory payables.

The ₱98.08M decrease in total equity is primarily due to additional losses and treasury shares. This was negated by increase in share capital and share premium for the year 2025.

DECEMBER 31, 2024 COMPARED TO DECEMBER 31, 2023

Changes in Operating Results

Revenue generated for the year 2024 amounts ₱219.1M. This was from Hospital fees and sales of medicines, net of discounts. This increased by 4% as compared to 2023.

Cost of sales and services in 2024 has decreased by 11% or ₱21.8M. This was directly associated with the company's effort to minimize the expenses by saving strategy. The major component of the cost of sales and services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.

Operating expenses decreased by 8%. The decrease was primarily attributable to the decrease in security services, light, water and communication, insurance, professional fees, office supplies, bank service charges and transportation and travel. This is negated by increase in salaries and wages, corporate events expenses, taxes and licenses, depreciation expense, meetings and conferences, repairs and maintenance, SSS/PHIC/HDMF contributions, amortization, training and development, fines and penalties and miscellaneous expenses.

Other income for the year 2024 increase by 137% as compared with the year 2023. The increase was due significant increase in recovery of credit losses, income from cafeteria and miscellaneous income which is directly related with the Company's operation.

Finance cost increased by 29%. This was due to settlement and restructuring of loan balance due to request for deferment of loan payments in 2024.

Income tax benefit decreased by 25%. This was primarily due to lower expenses resulting to lower taxable loss for the year 2024.

Net loss for the year 2024 is lower by ₱23.12M or 25%. This was mainly due to higher revenue, other income and lower expenses due to saving strategy of the Company for the year 2024.

Other comprehensive income for the year decreased by 100% since there was no revaluation on land recognized in 2024.

Total Comprehensive income (loss) for the year 2024 decreased by 303%. This was mainly due to the revaluation gain recognized on land in 2023 which resulted in a total comprehensive income in 2023. No revaluation gain were recognized in 2024.

Changes in Financial Condition

Total assets increased from ₱1.512B to ₱1.528B. The increase was primarily due to the increase in cash trade and other receivables, inventories, prepayments and other current assets and deferred tax asset. This was negated by the decrease in subscription receivable, property and equipment and intangible assets.

Cash increased by ₱15.3M primarily due to higher collection for the period. Cash used in operation for this year is also lower compared to prior year. The company made payment on loans payables and interest amounting to ₱104M.

Trade and other receivables increased by ₱11M primarily due to decrease in allowance for credit losses due to recovery and increase in advances to employees. This is negated by the decrease in trade receivables in HMOs, Philhealth and patients.

Subscription receivable decreased by ₱4.2M. Collection for the period is higher than the additional partially paid subscriptions. Subscription receivable is presented as contra equity account in the statements of financial position.

The increase in inventories by ₱1.9M pertains mainly to increase in office supplies, linen and dietary supplies.

Prepayments and other current assets increased by ₱3.2M. This is primarily due to the increased in advanced payment made to suppliers for hospital equipment and supplies and creditable withholding tax and prepaid income tax. This was negated by decrease in related VAT Input on purchases of goods and services and prepaid withholding tax on compensation.

Property and equipment decreased by ₱35M. This was primarily due to depreciation expense amounting to ₱41.6M. This was negated by additional building cost, office furniture and fixture and medical equipment amounting to ₱6.2M

The decrease in Intangible asset pertains mainly to the amortization for the year.

Deferred tax asset increased by ₱24.2M due to the DTA on the additional NOLCO and MCIT for the year 2024 negated by reversal of DTA on credit losses due to recovery of allowance for the year.

Total liabilities increased by ₱32.3M. The increase was primarily due to increase in trade and other payables, loans and other current liabilities which was negated by partial payment of loans, deposit for future subscriptions and retention payable.

Trade and other payables increased by ₱65.5M mainly due to the increased in unpaid purchases to suppliers of goods and services and accrued expenses.

The decreased in retention payables amounting to ₱200K pertains mainly to the payment of retention payable.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building, acquisition of hospital and medical equipment, transportation equipment and furniture and fixtures and permanent working capital requirement of the hospital operation. The net increase of ₱3.8M was due to the additional loan release of ₱25,372,822 in 2024 net of the partial payment made on the principal.

The increase of ₱1.2M in other current liabilities was due to additional government payables in 2024.

The ₱16.5M decrease in the total equity is primarily due to additional losses and treasury shares. This was negated by increase in share capital and share premium for the year 2024.

DECEMBER 31, 2023 COMPARED TO DECEMBER 31, 2022

Changes in Operating Results

On December 26, 2020, the Company launched the full commercial operations of its hospital building and facilities.

Revenue generated for the year 2023 amounts ₱211.1M. This was from Hospital fees and sales of medicines, net of discounts. This increased by 29%..

Cost of sales and services in 2023 has increased by 11% or ₱20.8M. This was directly associated with the company's operation. The major component of the cost of sales and services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.

Operating expenses increased by 40%. The increase was primarily attributable to the increase in corporate events expenses, utilities, taxes and licenses, repairs and maintenance, training and development, transportation and travel, amortization, office supplies, insurance, depreciation, meetings and conferences, bank service charges and miscellaneous. This is negated by decrease in professional fee, trainings and development, credit losses and repairs and maintenance.

Other income for the year 2023 increase by 54% as compared with the year 2022. The increase was due significant increase in income from cafeteria, interest income and miscellaneous income which is directly related with the Company's operation.

Finance cost increased by 55%. This was due to settlement of loans in 2023.

Income tax benefit increased by 50%. This was primarily due to higher expenses resulting to higher taxable loss for the year 2023.

Other comprehensive income increased by ₱126M net of tax due to revaluation of the land in 2023.

Income for the year for the year 2023 is higher than losses suffered in 2022 by 284%. This was mainly due to higher revenue, other income and revaluation of the land.

Changes in Financial Condition

Total assets decreased from ₱1.408B to ₱1.512B. The increase was primarily due to the increase in prepayments and other current assets, property and equipment and intangible asset. This was negated by the decrease in cash, trade and other receivable, subscription receivable, inventories and deferred tax asset

Cash decreased by ₱.25M primarily due higher disbursements as compared with the collection for the period. Cost of sales and services and operating expenses are higher than revenue which resulted to loss for the period of ₱123M. The company acquired property and equipment and intangible asset amounting to ₱4.9M, made payment on loans payables and interest amounting to ₱139M. These disbursements were partly funded by collection of subscription and additional loans.

Gross trade and other receivables increased by ₱10M primarily due to increase in trade receivables from PhilHealth, HMO and patients. The increase in gross receivables were reduced by the decrease in allowance for credit losses resulting to a net decrease in trade and other receivables – net by ₱.08M.

Subscription receivable decreased by ₱10.6M. Collection for the period is higher than the additional partially paid subscriptions. Subscription receivable is presented as contra equity account in the statements of financial position.

The decrease in inventories by ₱6.2M pertains mainly to increase in consumption of hospital and laboratory supplies for the hospital operation.

Prepayments and other current assets increased by ₱1.5M. This is primarily due to the increased in advanced payment made to suppliers for hospital equipment and supplies and creditable withholding tax and prepaid income tax. This was negated by decrease in related VAT Input on purchases of goods and services and prepaid withholding tax on compensation.

Property and equipment increased by ₱131.1M. This was primarily due additional building cost, office furniture and fixture and medical equipment amounting to ₱3.9M and revaluation of land amounting to ₱168.6M. This was negated by the depreciation for the year amounting to ₱41.5M

The increase in Intangible asset pertains mainly to the additions for the year negated by the amortization.

Deferred tax asset decreased by ₱11.1M was due to the DTA recognizes for revaluation of land. DTA increases by the additional NOLCO , credit losses and foreign exchange losses for the year.

Total liabilities increased by ₱64.5M. The increase was primarily due to increase trade and other payables, loans, deposit for future stock subscription and other current liabilities which was negated by partial payment of loans and retention payable.

Trade and other payables increased by ₱17.3M mainly due to the increased in unpaid purchases to suppliers of goods and services and accrued expenses.

The decreased in retention payables amounting to ₱2.9M pertains mainly to the payment of retention payable.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building, acquisition of hospital and medical equipment, transportation equipment and furniture and fixtures and permanent working capital requirement of the hospital operation. The net increase of ₱10.2M was due to the additional loan release of ₱84,850,000 in 2023 net of the partial payment made on the principal.

The increase of ₱.5M in other current liabilities was due to additional government payables in 2023.

The ₱39.6M increase in the total equity is primarily additional share capital, share premium and other comprehensive income from revaluation of land. This was negated by decrease in subscribed capital stock, treasury shares and additional losses for the year 2023.

Material Changes in Financial Condition

From January 1, 2025 to December 31, 2025	***From January 1, 2024 to December 31, 2024***	***From January 1, 2023 to December 31, 2023***
a. Cash increased by ₱12.8M primarily due to proceeds from issuance of shares, loans and cash generated from operation. This is negated by acquisition of property and equipment and principal and interest payments on loans.	**a. Cash decreased by ₱15.3M** primarily due to higher collection for the period. Cash used in operation for this year is also lower compared to prior year. The company made payment on loans payables and interest amounting to ₱104M.	**a. Cash decreased by ₱.25M** primarily due higher disbursements as compared with the collection for the period. Cost of sales and services and operating expenses are higher than revenue which resulted to loss for the period of ₱123M. The company acquired property and equipment and intangible

		asset amounting to ₱4.9M, made payment on loans payables and interest amounting to ₱139M. These disbursements were partly funded by collection of subscription and additional loans.
b. Trade and other receivables increased by ₱2.1M primarily due to increase in trade receivables and recognition of additional receivables in relation to the pending case with previous employee.	**b. Trade and other receivables increased by ₱11M** primarily due to decrease in allowance for credit losses due to recovery and increase in advances to employees. This is negated by the decrease in trade receivables in HMOs, Philhealth and patients.	**b. Trade and other receivables decreased by ₱.8M** Gross trade and other receivables increased by ₱10M primarily due to increase in trade receivables from PhilHealth, HMO and patients. The increase in gross receivables were reduced by the decrease in allowance for credit losses resulting to a net decrease in trade and other receivables – net by ₱.8M.
c. Subscription receivable decreased by ₱2.1M Collection for the period is higher than the additional partially paid subscriptions.	**c. Subscription receivable decreased by ₱4.2M** Collection for the period is higher than the additional partially paid subscriptions.	**c. Subscription receivable decreased by ₱10.6M** Collection for the period is higher than the additional partially paid subscriptions.
d. Inventories decreased by ₱.899M pertains mainly to decrease in office supplies and dietary supplies.	**d. Inventories increased by ₱1.9M** pertains mainly to increase in office supplies, linen and dietary supplies.	**d. Inventories decreased by ₱6.2M** increase in consumption of hospital and laboratory supplies for the hospital operation is higher than the purchases made during the year.
e. Prepayments and other current assets decreased by ₱10.7M This is primarily due to the decrease in advanced payments made to suppliers for hospital equipment, VAT Input and supplies and prepaid tax on compensation. This was negated by increase in prepaid income tax and creditable withholding tax.	**e. Prepayments and other current assets increased by ₱3.2M** This is primarily due to the increased in advanced payment made to suppliers for hospital equipment and supplies and creditable withholding tax and prepaid income tax. This was negated by decrease in related VAT Input on purchases of goods and services and prepaid withholding tax on compensation.	**e. Prepayments and other current assets increased by ₱1.5M** This is primarily due to the increased in advanced payment made to suppliers for hospital equipment and supplies and creditable withholding tax and prepaid income tax. This was negated by decrease in related VAT Input on purchases of goods and services and prepaid withholding tax on compensation.
f. Property and equipment decreased by ₱36.65M This was primarily due to depreciation expense amounting to ₱41.27M. This was negated by additional transportation equipment,	**f. Property and equipment decreased by ₱35M** This was primarily due to depreciation expense amounting to ₱41.6M. This was negated by additional building cost, office furniture	**f. Property and equipment increased by ₱131.1M** This was primarily due additional building cost, office furniture and fixture and medical equipment amounting to ₱3.9M and revaluation of

office furniture and fixture and medical equipment amounting to ₱4.62M	and fixture and medical equipment amounting to ₱6.2M	land amounting to ₱168.6M. This was negated by the depreciation for the year amounting to ₱41.5M
g. Intangible asset decreased by ₱397K pertains mainly to the amortization for the year negated by the additional cost for the year of ₱.243M.	**g. Intangible asset decreased by ₱634K** pertains mainly to the amortization for the year.	**g. Intangible asset increased by ₱597K** due to the additions for the year negated by the amortization.
h. Deferred tax asset decreased by ₱16.48M primarily due to the reversal of DTA on expired NOLCO for the years 2022 and 2022. This is negated by the recognition of DTA on MCIT for the year 2025 and additional allowance for credit losses. .	**h. Deferred tax asset increased by ₱24.2M** due to the DTA on the additional NOLCO and MCIT for the year 2024 negated by reversal of DTA on credit losses due to recovery of allowance for the year.	**h. Deferred tax asset decreased by ₱11.1M** due to the DTA recognizes for revaluation of land. DTA increases by the additional NOLCO , credit losses and foreign exchange losses for the year.
i. Trade and other payables increased by ₱41.8M mainly due to the increase in accrued expenses due to increase in unpaid interest. This is negated by the decrease in trade payables.	**i. Trade and other payables increased by ₱65.5M** mainly due to the increased in unpaid purchases to suppliers of goods and services and accrued expenses.	**i. Trade and other payables increased by ₱17.3M** mainly due to the increased in unpaid purchases to suppliers of goods and services and accrued expenses.
j. Retention payable decreased by ₱636K pertains mainly to the payment of retention payable.	**j. Retention payable decreased by ₱200K** pertains mainly to the payment of retention payable.	**j. Retention payable decreased by ₱2.9M** pertains mainly to the payment of retention payable.
k. Loans payable increased by ₱8.18M The net increase of ₱8.18M was due to the additional loan of ₱13.18M in 2025 net of the partial payments of ₱4.99M.	**k. Loans payable increased by ₱3.8M** The net increase of ₱3.8M was due to the additional loan release of ₱25,372,822 in 2024 net of the partial payment made on the principal.	**k. Loans payable increased by ₱10.2M** The net increase of ₱10.2M was due to the additional loan release of ₱84,850,000 in 2023 net of the partial payment made on the principal.
l. Other current liabilities decreased by ₱.820M due to decrease in statutory payables.	**l. Other current liabilities increased by ₱1.2M** due to additional government payables in 2024.	**l. Other current liabilities increased by ₱.5M** due to additional government payables in 2023.
m. Equity decreased by ₱98.08M The ₱98.08M decrease in total equity is primarily due to additional losses and treasury shares. This was negated by increase in share capital and share premium for the year 2025.	**m. Equity decreased by ₱16.5M** primarily due to additional losses and treasury shares This was negated by increase in share capital and share premium for the year 2024	**m. Equity increased by ₱39.6M** primarily additional share capital, share premium and other comprehensive income from revaluation of land. This was negated by decrease in subscribed capital stock, treasury shares and additional losses for the year 2023.

Material Changes in Operations

2025 vs. 2024	*2024 vs. 2023*	*2023 vs. 2022*
a. Revenue increased by 33% This is due to increased in hospital fees and sales of medicine, net of discounts for the year 2025.	**a. Revenue increased by 4%** This is due to increased in hospital fees and sales of medicine, net of discounts for the year 2024	**a. Revenue increased by 29%** This is due to increased in hospital fees and sales of medicine, net of discounts for the year 2023
b. Cost of sales and services increased by 21% This was directly associated with the increase in hospital's revenue for the year. The major component of the cost of sales and services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.	**b. Cost of sales and services decreased by 11%** This was directly associated with the Company's effort to minimize the expenses by saving strategy.	**b. Cost of sales and services increased by 11%** This was directly associated with the company's operation. The major component of the cost of sales and services are medicines and supplies, depreciation, salaries and wages, utilities, professional fees and housekeeping.
c. Operating Expenses decreased by 4% The decrease was primarily attributable to the decrease in salaries and wages, security services, insurance, training, fines and penalties and taxes and licenses. This is negated by increase in light, water and communication, salaries and wages, professional fees, office supplies, credit losses, depreciation expense, meetings and conferences, repairs and maintenance, amortization, and miscellaneous expenses. The Company minimize the expenses by saving strategy.	**c. Operating Expenses decreased by 8%** The decrease was primarily attributable to the decrease in security services, light, water and communication, insurance, professional fees, office supplies, bank service charges and transportation and travel. This is negated by increase in salaries and wages, corporate events expenses, taxes and licenses, depreciation expense, meetings and conferences, repairs and maintenance, SSS/PHIC/HDMF contributions, amortization, training and development, fines and penalties and miscellaneous expenses. The Company minimize the expenses by saving strategy.	**c. Operating Expenses increased by 40%** The increase was primarily attributable to the increase in corporate events expenses, utilities, taxes and licenses, repairs and maintenance, training and development, transportation and travel, amortization, office supplies, insurance, depreciation, meetings and conferences, bank service charges and miscellaneous. This is negated by decrease in professional fee, trainings and development, credit losses and repairs and maintenance.
d. Other income decreased by 67% The decrease was due significant decrease in recovery of credit losses as the hospital recognized additional allowance for credit losses during the year.	**d. Other income increased by 137%** The increase was due significant increase in recovery of credit losses, income from cafeteria and miscellaneous income which is directly related with the Company's operation.	**d. Other income increased by 54%** The increase was due significant increase in income from cafeteria, interest income and miscellaneous income which is directly related with the Company's operation.
e. Finance cost increased by 21%	**e. Finance cost increased by 29%**	**e. Finance cost increased by 55%**

This was due to settlement and restructuring of loan balance due to request for deferment of loan payments.	This was due to settlement and restructuring of loan balance due to request for deferment of loan payments in 2024.	This was due to settlement of loans in 2023.
f. Income tax benefit decreased by 179%	**f. Income tax benefit decreased by 25%**	**f. Income tax benefit increased by 50%**
This was primarily due to the reversal of the deferred tax benefit as a result of expiration of NOLCO incurred for the years 2020 and 2022. This resulted to the recognition of income tax expense for the year 2025	This was primarily due to lower expenses resulting to lower taxable loss for the year 2024.	This was primarily due to higher expenses resulting to higher taxable loss for the year 2023.
g. Net loss for the year increased by 46%. This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022..	**g. Net loss for the year decreased by 25%.** This was mainly due to higher revenue, other income and lower expenses due to saving strategy of the Company for the year 2024.	**g. Net loss for the year increased by 4%.** The increase in revenue was not enough to cover the increase expense, particularly the finance cost resulting to a higher loss in 2023.
h. No other comprehensive income for the year 2025 There was no other comprehensive income for the year 2025 since there was no revaluation on land recognized for the year.	**h. Other comprehensive income decreased by 100%** Other comprehensive income for the year decreased by 100% since there was no revaluation on land recognized in 2024.	**h. Other comprehensive income increased by 100%** This was primarily due revaluation of land for the year 2023.
i. Total Comprehensive Income for the year increased by 46%	**i. Total Comprehensive Income for the year decreased by 303%**	**i. Total Comprehensive Income for the year increased by 284%**
This was mainly due to higher finance costs in 2025 coupled with the incurrence of income tax expense as a result of the reversal of the deferred tax benefit due to expiration of NOLCO incurred for the years 2020 and 2022.	This was mainly due to the revaluation gain recognized on land in 2023 which resulted in a total comprehensive income in 2023. No revaluation gain were recognized in 2024.	This was mainly due to higher revenue, other income and revaluation of the land.

There are no known trends, events or uncertainties that have material impact on liquidity. Nevertheless, Management still continues to pursue intensive collection efforts to reduce accounts receivables and improve cash management.

There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There were no material events that would trigger direct or indirect contingent financial obligation that would materially affect the company's operation, including any default or acceleration of obligation.

The Company continues to spend for capital expenditures in relation to the hospital operation.

There were no significant elements of income or loss that did not arise from the Company's continuing operations.

The financial condition or results of operations of the Company are not affected by any seasonal change.

The Company is involved in certain legal proceedings as enumerated and discussed in Item 3. Legal Proceedings, pages 7 - 10 of this report.

Financial Risks

a. Interest Rate Risk – The Company's interest rate risk is limited to its cash in banks and loans payable.
b. Credit Risk – The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD.
c. Liquidity Risk – As part of the Company's overall liquidity management, the Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any.

The Company has no investments in foreign securities.

B. Information on Independent Accountant

The Company's external auditor for Y2025 is the auditing firm of PEREZ, SESE, VILLA and Company, CPAs. The Board will appoint the Company's external auditor for Y2026 based on the recommendation of the audit committee composed of Mrs. Neonita Linda Antigua (Chairman/Independent Director), Dr. Edward Chua (Independent Director) Dr. Julio Gonzalez, Dr. Roberto De Leon and Dr. Wyben Briones, subject to stockholders' approval.

a. The Audit committee evaluates proposals based on the quality of service, commitment for deadline and fees. The committee may require a presentation from each proponent to clarify some issues.
b. PEREZ, SESE, VILLA and Company, CPAs, represented by its engagement partner, Ms. Alma Sese, is the external auditor of the Company for the most recently completed year 2025. Pursuant to Revised SRC Rule 68 (2019) (re: rotation of external auditors), the Company has not engaged Ms. Alma Sese for more than seven years.
c. Representatives of PEREZ, SESE, VILLA and Company, CPAs are expected to be present during the stockholders' meeting. The representatives will have the opportunity to make statements if they desire to do so and will be available to respond to appropriate questions from the security holders.
d. During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.
e. The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:
   For the year 2025 - PHP 290,000.00 [billed and paid in 2025 (partial) and 2026 (full payment)]
   For the year 2024 - PHP 290,000.00 [billed and paid in 2023 (partial) and 2024 (full payment)]
f. The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (PHP); and
g. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

(A) Directors, Executive Officers

(1) Directors

There are fifteen (15) members of the Board, three (3) of whom are independent directors. The term of office of each member is one (1) year, to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. The following are the current members of the Board of Directors:

1. Cerna-Lopez, Geanie
2. Chan, Velma T.
3. De Leon, Roberto M.
4. Enriquez, Amado Manuel Jr. C.
5. Luna, Joy C.
6. Molon, Nicolas S.
7. Nolasco, Felix N.
8. Briones, Wyben R.
9. Gonzalez, Julio L.
10. Salonga, McArthur Conrado Jr. A.
11. Samoy, Marietta T.
12. Zozobrado, Evangeline Y.
13. Orillaza, Genero M. – Independent Director
14. Antigua, Neonita Linda C. – Independent Director
15. Chua, Edward A. – Independent Director

Name	Business and Professional Work Experience
Cerna-Lopez, Geanie C., 73 years old, Filipino	Director – ACE Medical Center-Cebu (2015 to Present) President - Las Pinas City Medical Center Medical Director- Unihealth Paranaque Management Consultant - Medical Center Muntinlupa Past President - Medical Center Muntinlupa (2016) Past Hospital Admin - UniHealth Paranaque Hospital (2016) and Las Pinas City Medical Center (2016) Past president Paranaque Doctors Hospital (2015) Practicing OB-GYN
Enriquez, Amado Manuel Jr. C., 73 years old, Filipino	Chairman of the Board – ACE Medical Center – Cebu (2015-present); Manila East Medical Center (2007-2008, 2017); Paranaque Doctors Hospital (2012-2017); ACE Medical Center Baypointe, Subic (2007-2011); Unihealth Paranaque Hospital (2014- 2017); Alaminos Medical Center Foundation (2001- present). Founding Chairman – ACE Medical Center Valenzuela, ACE Medical Center Baliwag, ACE Medical Center Pateros, ACE Medical Center Malolos, ACE Medical Center Mandaluyong, ACE Medical Center Palawan, ACE Medical Center Iloilo, ACE Medical Center Tacloban, ACE Medical Center Bohol, ACE Medical Center Dumaguete, ACE Medical Center Bacolod, ACE Medical Center General Santos, ACE Medical Center CDO, ACE Medical Center Dipolog, ACE Medical Center Zamboanga, ACE Medical Center Butuan Active consultant in Cardiovascular-Thoracic Surgery – St. Luke's Medical Center, Manila East Medical Center, ACE Medical Center Hospitals.
Gonzalez, Julio L., 75 years old, Filipino	1979 to Present Private Practice as Pediatrician 2015 to Present Hospital Administrator, ACE Medical Center-Cebu 2014 to 2020 Board of Director, ACE Medical Center-Cebu Affiliated with Rotary Club Fuente, Cebu Medical Society, Philippine Medical Association

Molon, Nicolas S., 79 years old, Filipino	Present Positions: Chairman of the Board of Directors: Advanced Medical Systems, Inc.- Calamba Doctors' Hospital; Calamba Doctors' Med., Educational and Science Foundation, Inc.; Pudci-Shakey's Inc. Member Of the Board of Directors: Allied Care Experts (ACE) Medical Center-Cebu, Inc; Laguna MRI Paseo Uno De Calamba Inc.; Nineveh Learning Center, Inc. Past Positions: Chairman Of the Board of Directors: Allied Care Experts (ACE) Medical Center-Cebu, Inc.; Imus, Inc (Medical Center Imus); Manila East Medical Center Inc; Medical Center Muntinlupa, Inc; Diliman Doctors' Hospital; Marikina Valley Medical Center, Inc.; Bacoor Doctors' Medical Center, Inc.
Nolasco, Felix N., 73 years old, Filipino	Doctor of Medicine. Specialty – ENT-Head and neck Surgery, Maxillofacial Trauma Surgery. Consultant – Asian Hospital and Medical Center, Manila Doctors Hospital. President, Baypoint Hospital and Medical Center, SBMA, 2013 to 2016. Medical Director, Unihealth Paranaque Hospital and Medical Center, 2014 to 2016. Administrator, Unihealth Paranaque Hospital and Medical Center, 2017 to present. Vice-Chairman, ACE Valenzuela, 2015; ACE Baliwag, 2015. Vice-President, ACE Medical Center – Bohol, 2016 – present. Former Vice President, Medical Director Administrator, CFO Board member of various ACEMC and UPHMC Hospitals. Chairman Sto. Tomas Doctor Hospital and Medical Center: (2025-Vice Chairman-ACEMC Pateros), (2022-Vice President-ACEMC Cebu), (2022-Asst. Med. Director-ACEMC Cebu), (2022- Asst. Treasurer-ACEMC Tacloban), (Hospital Director-APMC Iloilo City).
Salonga, McArthur Conrado, Jr. A., 57 years old, Filipino	Resident, General Surgery - Cebu Doctors' Hospital - 1996-2000; Fellowship Subspecialty Training in Endocrine and Bariatric Surgery/Advance Minimally Invasive Surgery – National University Hospital, Singapore – 2007; Laparoscopic Colorectal Surgery Preceptorship – National Medical Center, Ho Chi Minh, Vietnam – 2017; Provincial General Surgeon – Mambajao, Camiguin Island General Hospital – 2001; Associate Professor – Cebu Doctors College of Medicine – 2002 – Present; Active Consultant/ Practicing General and Laparoscopic Surgeon – 2001 – Present; (Cebu Doctors Group of Hospitals and Major Hospitals in Cebu) President – Cebu Doctor's University Alumnae Association (2008 – 2010); President – Philippine Society of General Surgeons – Cebu (2011 – 2012); National Board of Director – Philippine Society of General Surgeons (2012 – 2015); Training Officer – Cebu Doctors' University Hospital Dept F Surgeons (2014 – 2020); Department Chairman – South General Hospital, Naga Cebu (2013 – 2018); Tumor Board Co – Chairman – Cebu Doctors' University Hospital (2005 – 2014); Tumor Board Chairman - South General Hospital (2008 – 2018)
Chan, Velma T., 59 years old, Filipino	Director – ACE Medical Center-Cebu (2015 to Present) Practicing Pediatrician at: Chong Hua Hospital; Cebu (Velez) General Hospital; Visayas Community Medical Center; Perpetual Succour Hospital; Sacred Heart Hospital; St. Vincent General Hospital
Chua, Edward A., 51 years old, Filipino	Doctor of Medicine. Hospital Affiliation/s: Perpetual Succour Hospital, Gorordo Ave. Cebu; South General Hospital, Naga; Cebu (Velez) General Hospital, F. Ramos St., Cebu; Chong Hua Hospital, Cebu; Visayas Community Medical Center, Cebu; Cebu Doctors University Hospital, Cebu; St. Vincent General Hospital, Cebu; Adventist Hospital, Cebu Private Practice as Pediatric Pulmonologist; Part time Faculty, Cebu Institute of Medicine (2012-Present); Part time Faculty, Cebu University Hospital (2006-2012).
Antigua, Neonita Linda C., 66 years old, Filipino	Bachelor of Science in Accountancy, University of San Carlos, Cebu City. Passed the Real Estate Board Examination (October 1995). Vice President-Quota International-Mandaue Chapter. Treasurer-Royale Cebu Homeowners Association

	Member-Philippine Realtors Board Member-Cebu Realtors Board Teller-Security Bank Bookkeeper-Mactan Airbase Accounting Office Manager-New York Life International Insurance Corporation President-MSR Real Estate Development Corporation Inc. – up to present
Luna, Joy C., 58 years old, Filipino	EA Northam Pharma (1989-1991); Area Sales Supervisor (1990-1991), Medical Representative. Smithkline Beecham (1991-2001); Medical Representative, Vaccines Specialist, Top Medical Representative Award, Consistency Award, Top 1 Product Award. Manila East Medical Center (2001-2026); Board of Directors Member since 2005, Pharmacy Director since 2002, HRD Director for 5 years, CSR Head since 2002, Head-Training and Development since 2012, Chairman-Therapeutics Committee, Chairman-Social Functions Committee. Diliman Doctors Hospital Inc. (2011-2024); Board of Directors Member, Therapeutics Committee (2018-2024)-Pharmacy Directors Co-Chairman. Allied Care Experts Med. Ctr. Cebu (2015-2026); Board of Directors Member, Pharmacy Director (2019-February 2023). Prime Hospital and Medical Center (2017-2026); Board of Directors Member (2017-2024), Marketing Director (2020-May 2026), Pharmacy Director (2024-May 2026), Executive Member. Marquee Doctors Medical Center (2020-2026); Founder. Affiliation/s: Philippine Society Hospital Pharmacists (PSHP); Philippine Pharmacists Association (PPhA); University of San Carlos Alumni Association; Colegio De La Inmaculada Concepcion Alumni Association; Archdiocese Children of Mary Foundation since 1984.
Samoy, Marietta T., 69 years old, Filipino	Board Member of The FF. Hospitals: ACEMC Cebu – 2020; MCM Muntinlupa Medical Center -Administrator. 2020-2021; Paranaque Doctors Hospital: Head, OB- GYN, Head: Business Office 2019; Las Pinas City Medical Center: Head, Pharmacy-2019; Diliman Doctors Hospital Board Member 2018-2019
Zozobrado, Evangeline Y., 72 years old, Filipino	Director – ACE Medical Center-Cebu (2015 to Present); Pediatric Consultant - Asian Hospital and Medical Center (2002-present) Corp. Secretary - Medical Center Muntinlupa (2016- 2017), ACE Baliwag (2012-present) Medical Director - Las Pinas City Medical Center (2014-2016) Hospital Administrator – Diliman Doctors Hospital (2017) Pediatric Consultant - Paranaque Doctors Hospital, University of Perpetual Help System Dalta Hospital and Medical Center
Orillaza, Generoso M., 69 years old, Filipino	BS Civil Engineering. AS BOARD OF DIRECTOR (Current and Previous)-ACE Medical Center Bohol, August 2015 to Present; ACE Medical Center Dumaguete, November 2017 to Present; ACE Medical Center Tacloban, October 2016 to Present; ACE Medical Center Butuan, March 2017 to Present; ACE Medical Center Cagayan De Oro, May 2016 to Present; ACE Medical Center Palawan, January 2017 to Present; ACE Medical Center Legaspi, June 2016 to Present; ACE Medical Center Malolos, November 2017 to Present Paranaque Doctors Hospital, February 2007 to March 2016; Unihealth Paranaque Hospital and Medical Center, June 2014 to June 2017; Sta. Rosa Hospital and Medical Center, June 2008 to April 2016; Tagaytay Hospital and Medical Center, June 2009 to December 2011; Baypointe Hospital and Medical Center, November 2010 to March 2020 As Member Of Executive Committee (Current and Previous)-ACE Medical Center Quezon City, June 2013 to Present; ACE Medical Center Malolos, November 2017 to Present; ACE Medical Center Pateros, June 2012 to June 2019; Unihealth Paranaque Hospital and Medical Center, June 2014 to June 2017; Baypointe Hospital and Medical Center, November 2010 to March 2016; ACE Medical Center Valenzuela, January 2014 to June 2016; ACE Medical Center Baliwag, April 2014 to June 2017; Tagaytay Hospital and Medical Center, January 2009 to December 2011; Sta. Rosa Hospital and Medical Center, January 2008 to April 2016; Paranaque Doctors Hospital, February 2007 to November 2016 As Chairman Of Construction Committee (Current and Previous)-ACE Medical Center Quezon City, November 2013 to February 2016; ACE

	Medical Center Pateros, March 2013 to July 2015; ACE Medical Center Baliwag, January 2012 to March 2014; ACE Medical Center Valenzuela, December 2011 to January 2014; Baypointe Hospital and Medical Center, October 2008 to October 2010; Tagaytay Hospital and Medical Center, February 2007 to January 2009; Sta. Rosa Hospital and Medical Center, March 2005 to December 2007; Paranaque Doctors Hospital and Medical Center, November 2004 to November 2006 As Head, Engineering And Maintenance (Current and Previous)-ACE Medical Center Quezon City, March 2016 to Present; Unihealth Paranaque Hospital and Medical Center, June 2014 to Present; ACE Medical Center Valenzuela, January 2014 to Present; Baypointe Hospital and Medical Center, October 2010 to Present; ACE Medical Center Baliwag, April 2014 to June 2017; ACE Medical Center Pateros, July 2015 to June 2017; Sta. Rosa Hospital and Medical Center, January 2008 to April 2016; Paranaque Doctors Hospital, February 2007 to November 2016 As Head Management Information Systems (Current and Previous)-ACE Medical Center Valenzuela, January 2014 to Present; ACE Medical Center Quezon City, March 2016 to Present; ACE Medical Center Pateros, July 2015 to Present; Baypointe Hospital and Medical Center, October 2010 to Present; Sta. Rosa Hospital and Medical Center, March 2014 to April 2016 As Member Of Construction Committee (Current and Previous)-ACE Medical Center-Butuan, March 2018 to Present; ACE Medical Center-Cagayan De Oro , July 2016 to Present; ACE Medical Center-Legaspi, June 2016 to Present; ACE Medical Center-Malolos, November 2017 to Present; ACE Medical Center-Dipolog, March 2017 to Present; ACE Medical Center-Dumaguete, April 2017; ACE Medical Center-Tacloban, February 2017; ACE Medical Center-Bohol, July 2016
Briones, Wyben R., 72 years old, Filipino	Doctor of Medicine. Practicing Neurosurgeon 1986 to Present; Consultant in Neurosurgery - all Major Hospitals in Cebu City, Mandaue City, Lapulapu City; Professor 6 in Surgery, Cebu Institute of Medicine; Chairman, Department of Neurosurgery, VSMMC since 2010 to present; Co-Chairman, Department of Surgery, Perpetual Succour Hospital (2008 to 2017)
De Leon, Roberto M., 73 years old, Filipino	Doctor of Medicine. Chairman of the following Hospitals:Baypointe Hospital & Medical Center – Olongapo City;Mindoro Medical Center – Calapan, Mindoro;Luzon Alliance Med Center – Guiguinto, Bulacan; Marquee Doctors Med Center- Angeles, Pampanga; Visayas Ave. Med. Center- Quezon City; Rizal Doctors Med. Center- Angono, Rizal; Cabanatuan Medical Center- Cabantuan City Great Valley Med Center- Quezon City; Holy Infant Saviour Somos Med Center- Mindoro Balanga Med Center- Balanga, Bataan; Salt Lake Med Center- Paranaque City; President of the following Hospitals; Allied Care Experts Med Center Valenzuela City; Sto. Tomas Doctors Hosp & Med Center- Batangas; Doctors' Med Center Sta. Ana- Manila

(2) Executive Officers

The Company's key executive officers as of 31 December 2025, are as follows:

Chairman – Dr. Geanie Cerna-Lopez
Vice Chairman – Dr. Nicolas S. Molon
President – Dr. McArthur Conrado A. Salonga, Jr.
Vice President – Dr. Amado Manuel C. Enriquez, Jr.
Corporate Treasurer – Dr. Evangeline Y. Zozobrado
Corporate Secretary – Dr. Marietta T. Samoy

The Officers (per the Company's By-Laws) are elected/appointed annually by the Board of Directors during its organizational meeting, each to hold office for one (1) year until the next organizational meeting of the Board in the following year or until a successor shall have been elected/appointed and shall have qualified.

INCUMBENT OFFICERS

1. Geanie Cerna-Lopez – Chairman, See Foregoing Director's Profile
2. Nicolas S. Molon – Vice-Chairman, See Foregoing Director's Profile
3. Mcarthur Conrado A. Salonga, Jr. – President, See Foregoing Director's Profile
4. Amado Manuel C. Enriquez Jr.– Vice President, See Foregoing Director's Profile
5. Evangeline Y. Zozobrado – Treasurer, See Foregoing Director's Profile
6. Enjel A. Gabriel – Assistant Treasurer, See Foregoing Director's Profile
7. Marietta T. Samoy– Corporate Secretary, See Foregoing Director's Profile
8. Fay Jasmine De Los Santos **–** Assistant Corporate Secretary, see foregoing Director's Profile

(3) Significant Employees

The Company relies significantly on the continued collective efforts of its senior executive officers and expects each employee to do his share in achieving the Company's goals.

(4) Family Relationships

Except for the following:

Drs. Amado Manuel C. Enriquez, Jr., Marilyn R. Enriquez and Miguel Antonio R. Enriquez and Michael Edward R. Enriquez, who are parents and children, respectively; Drs. Geanie Cerna-Lopez, Mark Joseph Lopez and Roseller Gartalia, who are parent, child and sibling; Dr. Nicolas Molon, Mrs. Edna Molon, Dr. Jan Noel Molon, Ms. Myla Molon and Ms. Flordelisa Nasol, who are parents, children, and sibling, respectively; Dr. Evangeline Y. Zozobrado, Mr. Agustin Zozobrado and Dr. Kaye Zozobrado, who are parents and child, respectively; Spouses Dr. Ronald and Jane Ramiro; Spouses Drs. Felix and Eulenia Nolasco; Dr. Mark Javeson C. Tam and Dr. Carl Davin C. Tam, who are siblings, respectively; there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the Company to become directors, or executive officers, any security holder of certain record, beneficial owner, or management.

(5) Certain Relationships and Related Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. Outstanding balances are settled through cash.

A summary of the transactions and account balances with related parties follows:

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱ -	₱103,039,669	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Payment	(1,501,989)			
	Deposit for future stock subscription	-	1,129,605		

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱12,372,822	₱104,541,658	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Payment	(8,981,164)			
	Deposit for future stock subscription	(38,100,395)	1,129,605		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱58,350,000	₱101,150,000	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Deposit for future stock subscription	₱39,230,000	₱39,230,000		

(6) Involvement in Certain Legal Proceedings

As of December 31, 2025, the following Directors are parties to legal proceedings in their capacity as Directors of the Company:

1. Geanie A. Cerna-Lopez
2. Velma T. Chan
3. Amado Manuel C. Enriquez, Jr.
4. Nicolas S. Molon
5. Marietta T. Samoy
6. Evangeline Y. Zozobrado
7. Joy C. Luna
8. Roberto M. De Leon
9. Generoso M. Orillaza
10. Felix P. Nolasco

The following Directors were not named respondents to the proceedings since they were not yet Directors of the Company at the time the cases were filed:

1. McArthur Conrado A. Salonga Jr.
2. Edward A. Chua
3. Neonita C. Antigua
4. Briones R. Wyben
5. Julio L. Gonzalez

Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) - Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. ACE Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald L. Ramiro, Marietta T. Samoy and Evangeline Y. Zozobrado

On March 7, 2018, complainants Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia, through counsel filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants have already filed their Answer to the Complaint.

We filed a Motion to Dismiss the Complaint for lack of interest of the plaintiffs to prosecute the case last August 5, 2020. A Judicial Dispute Resolution was scheduled but failed. Case is up for pre-trial conference.

The judicial dispute resolution (JDR) failed. The case is up for pre-trial conference on April 13, 2023

The 13 April 2023 pre-trial of the case was cancelled and moved to 02 June 2023 at 10:45am. The 02 June 2023 pre-trial was cancelled and moved to 11 August 2023 at 10:45am. The 11 August 2023 pre-trial was cancelled and moved to 20 October 2023 at 10:00 in the morning.

During the 20 October 2023, the plaintiffs' counsel asked the Court to render a partial judgment recognizing the sale in installment as a subscription contract. We objected and requested that their request for partial judgment be put into writing so that we can make an informed comment on the matter. Plaintiffs were given 15 days to file and the same number of days was granted to us to comment on their filing. The next pre-trial is scheduled on 22 December 2023 at 10:00 in the morning. The 22 December 2023 hearing was reset to 15
March 2024 at 10:30 am.

On October 17, 2024, Baduel Espina & Associates confirmed their appearance during the October 16, 2024 hearing. The court needed more time to resolve the plaintiff's Motion for Partial Summary Judgment, and the pre-trial conference was rescheduled to February 05, 2025.

On May 23, 2025, during the pre-trial hearing, the Court informed the parties and counsels that the draft resolution on the motion for partial summary judgment had not yet been finalized. Consequently, the pre-trial conference was rescheduled to July 25, 2025, at 10:00 a.m.

Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) – Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez, Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald S. Ramiro, Marietta T. Samoy, and Evangeline Y. Zozobrado

On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants (based in Cebu) have already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgment, but the same was opposed by the defendants on May 15, 2018. The Court has not yet ruled on the plaintiff's Motion for Partial Summary Judgment of May 2, 2018. Unless the Court resolves the Motion for Summary Judgment by the plaintiff, the case will not move on.

The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for Pre-Trial on April 30, 2021. Pre-trial was terminated. Case is set for presentation of plaintiff's evidence.

The Court rendered on August 9, 2022 a partial summary judgement on plaintiff's prayer for issuance of certificate of stock leaving the other issues sought for trial on the merits. However, instead of presenting his evidence plaintiff filed a motion to submit the case for decision based on legal issues through the filing of memorandum which is still pending for resolution.

Plaintiff has submitted his motion to submit case for decision based on legal issues, which was submitted to the Court on October 24, 2022. We filed our comment on November 7, 2022. We received an order dated 30 June 2023 where the Court has granted the motion to submit case for decision based on legal issues dated 18 October 2022. The Presiding Judge has granted both parties to file their respective memorandum, which shall be limited to the issue of the extent of plaintiff's preemptive right to purchase/subscribe to shares of stock in view of the defendant Corporation's increase in its capital stock, within 30 days from receipt of said order.

Our Counsel filed a Motion for Reconsideration to set aside and deny Plaintiff's motion to submit case for decision based on the sole issue of whether the plaintiff is entitled to the preemptive right to subscribe to one block of share equivalent to 10 shares or only for 3 shares for utter lack of merit. The Plaintiff's Counsel opposed the Motion for Reconsideration filed by our Counsel. Awaiting decision of the Court on both Motion's.

Special Civil Action Case No. R-CEB-18-08795-SC, Branch XI, Cebu City (For Mandamus to Issue 100% Pre-Emptive Rights, Damages and for Attorney's Fees) - Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. Al vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez and Velma T. Chan

The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

Respondents received the Court Order on 11 December 2018. On November 25, 2020 at 8:30AM, a Judicial Dispute Resolution was conducted by RTC Branch 12, Cebu City via video conference hearing. Both parties did not come into an agreement. The Petitioners demanded PHP 600,000.00 from the Respondents. The case was scheduled for Pre-Trial on June 11, 2021. Pre-trial was terminated. Case is set for presentation of petitioners' evidence.

Presentation of petitioners' evidence. Petitioners have so far presented two (2) witnesses.

Petitioners have submitted their motion to submit case for decision based on legal issues, which was submitted on November 7, 2022. Case has been submitted for resolution. Last February 3, 2023, the scheduled hearing pushed through, and Counsel appeared for and on behalf of ACEMCCEBU, despite the pending motion.

On February 15, 2023, the Court denied the request of the Petitioners' motion to submit the case for decision based on the remaining sole legal issue. As stated in the Order, the presentation of evidence for the petitioners will push through as scheduled on 03 March 2023 at 10:45 in the morning. The hearing was cancelled upon receipt of a Constancia dated 27 February 2023 and reset to 28 April 2023 at 10:45 in the morning.

During the 28 April 2023 hearing, the Court still needs to resolve the pending Motion for Reconsideration filed by the Petitioners. Without prejudice to the resolution of the pending incident, the next hearing is set at on 30 June 2023 at 10:45am for presentation of Petitioners' evidence. Considering petitioners' motion for reconsideration has yet to be resolved, the 30 June 2023 hearing was reset to 28 July 2023 at 10:45 am. Due to the pending motion for reconsideration, the 28 July 2023 hearing was reset to 25 August 2023 at 10:45am. The 25 August 2023 was rescheduled to 29 September 2023 at 10:45am. The 29 September 2023 hearing was reset to 14 December 2023 at 10:45am. The 14 December 2023 hearing was reset to 15 March 2024 at 8:30am.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders due to disagreement with the registrant on any matter relating to the registrant's operations, policies, and practices.

On September 26, 2024, Court hearing where the cross-examination of Mr. Peter Sylianco was continued. The petitioners were granted five days to file their Reply to the opposing party's Motion for Production, Inspection, and Photocopying of Documents, with the opportunity for the opposing side to file a rejoinder within the same period. Reimbursement requests for transcript costs were also submitted. The next scheduled, October 24, 2024, hearing for the continuation of petitioners' evidence presentation, with unspecified subsequent procedural activities. November 28, 2024, attendance confirmed for a hearing focusing on the continuation of the presentation of evidence. Petitioners intended to present Atty. Jarred Cabilte. December 12, 2024, the parties confirmed their appearance to continue cross-examination of Leo Sumatra and other petitioners' evidence. Additional scheduled dates include March 28, April 25, and May 23, 2025, among others, for various stages of evidence presentation and testimony.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders due to disagreement with the registrant on any matter relating to the registrant's operations, policies, and practices.

(B) Compensation of Directors and Executive Officers

(a)	(b)	(c)	(d)	(e)
Name & Principal Position	**Year**	**Salary**	**Bonus**	**Other Compensation**
A. Mcarthur Conrado A. Salonga, Jr. President	2025	₱360,000.00	0.00	0.00
B. Amado Manuel C. Enriquez Vice-President	2025	₱300,000.00	0.00	0.00
C. Evangeline Zozobrado Treasurer	2025	₱300,000.00	0.00	0.00
D. Marietta T. Samoy Corporate Secretary	2025	₱300,000.00	0.00	0.00
E. Aggregate For the Above-Named CEO & Officers	2026-Estim.	₱1,260,000.00	0.00	0.00
	2025	₱1,260,000.00	0.00	0.00
	2024	₱1,260,000.00	0.00	0.00
F. Aggregate For the Officers and Directors as A Group	2026-Estim.	₱1,260,000.00	0.00	0.00
	2025	₱1,260,000.00	0.00	0.00
	2024	₱1,260,000.00	0.00	0.00

The Board has approved the per diem (P10,000.00/board meeting) during board meetings for each director. Likewise, last June 12, 2021, the Board has approved the compensation package for the following officers:

Position	Monthly Compensation
Chairman	₱30,000.00
Vice Chairman	25,000.00
President	30,000.00
Vice President	25,000.00
Corporate Secretary	25,000.00
Assistant Corporate Secretary	20,000.00
Corporate Treasurer	25,000.00
Assistant Corporate Treasurer	20,000.00
Medical Director	25,000.00
Hospital Administrator	25,000.00
Assistant Medical Director	5,000.00
Assistant Hospital Administrator	5,000.00
Chief of Clinics	15,000.00
Department Heads	10,000.00
Assistant Department Heads	5,000.00

As of December 31, 2025, the Company has not yet paid the compensation of the officers as reflected above.

The Company does not have a registered, non-contributory retirement plan.

The Company has no existing options, warrants or rights to purchase any securities.

(C) Security Ownership of Certain Record and Beneficial Owners

(1) The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of December 31,2025 are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common Founder	Amado Manuel C. Enriquez, Jr., Quezon City, Metro Manila, Stockholder	Amado Manuel C. Enriquez, Jr./ Spouse, Father	Filipino	Founder – 60 Common – 21,262	14.17%
Common Founder	Marilyn R. Enriquez, Quezon City, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Miguel Antonio R. Enriquez, Quezon City, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Michael Edward R. Enriquez, Quezon City, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Nicolas S. Molon, Las Pinas, Metro Manila, Stockholder	Nicolas S. Molon/ Spouse, Father, In-law	Filipino	Founder – 10 Common – 3,543	7.87%
Common Founder	Edna R. Molon, Las Pinas, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Jan Noel R. Molon, Las Pinas, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Myla Noreen R. Molon, Las Pinas, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	
Common Founder	Flordelis M. Nasol, Metro Manila, Stockholder		Filipino	Founder – 10 Common – 3,543	

(2) Security Ownership of Directors and Management as of December 31, 2025:

(1) Title of Class	(2) Name of Beneficial Owner	Position	(3) Amount and Nature of Beneficial Ownership	(4) Citizenship	(5) Percentage (%) of Class
	Board of Directors:				
Common Founder	**Geanie Cerna-Lopez**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –7,106 Founder – 20 Common –7,086	Filipino	4.72%
Common Founder	**Amado Manuel C. Enriquez, Jr.**	Director	Direct –21,322 Founder – 60 Common –21,262 Indirect –10,659 Founder – 30 Common –10,629	Filipino	14.17%
Common Founder	**Nicolas S. Molon**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –14,212 Founder – 40 Common –14,172	Filipino	7.87%
Common Founder	**Briones R. Wyben**	Director	Direct –2,766 Founder – 10 Common –2,756 Indirect –692 Founder – 0 Common –682	Filipino	1.53%
Common	**Felix P. Nolasco**	Director	Direct –2,747	Filipino	2.43%

Founder			Founder – 10 Common –2,737 Indirect –2,747 Founder – 10 Common –2,737		
Common Founder	**McArthur Conrado A. Salonga, Jr.**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Velma T. Chan**	Director	Direct –7,115 Founder – 20 Common –7,095	Filipino	3.15%
Common Founder	**Roberto M. De Leon**	Director	Direct –3,458 Founder – 10 Common –3,448 Indirect –2,674 Founder – 10 Common –2,664	Filipino	2.72%
Common Founder	**Joy C. Luna**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –2,674 Founder – 10 Common –3,543	Filipino	3.15%
Common Founder	**Marietta T. Samoy**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Evangeline Y. Zozobrado**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –7,106 Founder – 20 Common –7,086	Filipino	4.72%
Common Founder	**Julio L. Gonzalez**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Generoso M. Orillaza**	Independent Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –3,553 Founder – 40 Common –3,543	Filipino	3.15%
Common Founder	**Neonita C. Antigua**	Independent Director	Direct –2,500 Founder – 10 Common –2,490	Filipino	1.11%
Common Founder	**Edward A. Chua**	Independent Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Total For Directors			**124,187**		**55.02%**

(1) Title of Class	(2) Name of Beneficial Owner	Position	(3) Amount and Nature of Beneficial Ownership	(4) Citizenship	(5) Percentage (%) of Class
	Board of Directors:				
Common Founder	**Geanie Cerna-Lopez**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –7,106 Founder – 20 Common –7,086	Filipino	4.72%
Common Founder	**Amado Manuel C. Enriquez, Jr.**	Director	Direct –21,322 Founder – 60 Common –21,262 Indirect –10,659 Founder – 30 Common –10,629	Filipino	14.17%

Common Founder	**Nicolas S. Molon**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –14,212 Founder – 40 Common –14,172	Filipino	7.87%
Common Founder	**Briones R. Wyben**	Director	Direct –2,766 Founder – 10 Common –2,756 Indirect –692 Founder – 0 Common –682	Filipino	1.53%
Common Founder	**Felix P. Nolasco**	Director	Direct –2,747 Founder – 10 Common –2,737 Indirect –2,747 Founder – 10 Common –2,737	Filipino	2.43%
Common Founder	**McArthur Conrado A. Salonga, Jr.**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Velma T. Chan**	Director	Direct –7,115 Founder – 20 Common –7,095	Filipino	3.15%
Common Founder	**Roberto M. De Leon**	Director	Direct –3,458 Founder – 10 Common –3,448 Indirect –2,674 Founder – 10 Common –2,664	Filipino	2.72%
Common Founder	**Joy C. Luna**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –2,674 Founder – 10 Common –3,543	Filipino	3.15%
Common Founder	**Marietta T. Samoy**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Evangeline Y. Zozobrado**	Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –7,106 Founder – 20 Common –7,086	Filipino	4.72%
Common Founder	**Julio L. Gonzalez**	Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Common Founder	**Generoso M. Orillaza**	Independent Director	Direct –3,553 Founder – 10 Common –3,543 Indirect –3,553 Founder – 40 Common –3,543	Filipino	3.15%
Common Founder	**Neonita C. Antigua**	Independent Director	Direct –2,500 Founder – 10 Common –2,490	Filipino	1.11%
Common Founder	**Edward A. Chua**	Independent Director	Direct –3,553 Founder – 10 Common –3,543	Filipino	1.57%
Total For Directors			**124,187**		**55.02%**

(3) Except for Dr. Amado Manuel C. Enriquez Jr., who owns 14.17% [through direct and indirect ownership], Dr. Nicolas S. Molon, who owns 7.87% [through direct and indirect ownership], Dr.

Evangeline Y. Zozobrado, who owns 4.72% [through direct and indirect ownership], Dr. Geanie Cerna-Lopez, who owns 4.72% [through direct and indirect ownership, Dr. Velma T. Chan, who owns 3.15% [through direct ownership], Generoso M. Orillaza , who owns 3.15% [through direct and indirect ownership], Joy C. Luna, who owns 3.15% [through direct and indirect ownership], Roberto M. De Leon, who owns 2.72% [through direct and indirect ownership], Felix P. Nolasco, who owns 2.43% [through direct and indirect ownership], none of the other Company's directors and management owns directly or indirectly 2.0% or more of the outstanding capital stock of the Company.

(4) There are no voting trust holders of 5% or more.

(5) The Company is not aware of any voting trust agreement/s or similar agreement/s which may result in a change in control of the Company.

(6) No change in control of the registrant has occurred since the beginning of its last fiscal year.

(D) Certain Relationships and Related Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and its key management personnel, directors or its stockholders. Outstanding balances are settled through cash.

A summary of the transactions and account balances with related parties follows:

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱ -	₱103,039,669	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Payment	(1,501,989)			
	Deposit for future stock subscription	-	1,129,605		

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱12,372,822	₱104,541,658	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Payment	(8,981,164)			
	Deposit for future stock subscription	(38,100,395)	1,129,605		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱58,350,000	₱101,150,000	Interest bearing; payable in cash; no scheduled repayment terms	Unsecured
	Deposit for future stock subscription	₱39,230,000	₱39,230,000		

PART V – CORPORATE GOVERNANCE

The Company adheres to the principles of good governance as provided in its Manual on Corporate Governance (MCG). The directors, officers and employees perform their duties and responsibilities in accordance with the mission and vision of the Company and the corporate practices pursuant to its Manual on Corporate Governance.

Pursuant to its Manual on Corporate Governance, the Board organized the various committees composed of the following members:

Audit Committee
Chair: Ms. Neonita C. Antigua – Independent Director
Members: Dr. Edward A. Chua – Independent Director
Dr. Julio L. Gonzalez
Dr. Roberto M. De Leon
Dr. Wyben R. Briones

Nominations Committee
Chair: Ms. Neonita C. Antigua - Independent Director
Members: Engr. Generoso M. Orillaza - Independent Director
Dr. Velma T. Chan
Dr. Miguel Antonio R. Enriquez – Non-voting
Dr. Ma. Asuncion Hipolita B. Libre – Non-voting

Remuneration and Compensation Committee
Chair: Dr. Edward A. Chua – Independent Director
Members: Ms. Neonita C. Antigua
Dr. Evangeline Y. Zozobrado
Dr. Roland Mark M. Gigataras – Non-voting
Dr. Michael Edward R. Enriquez – Non-voting
Ms. Floram Limotlimot – Non-voting

Corporate Governance Committee
Chair: Engr. Generoso M. Orillaza – Independent Director
Members: Ms. Neonita C. Antigua – Independent Director
Dr. Edward A. Chua – Independent Director
Dr. Amado Manuel C. Enriquez, Jr.
Ms. Joy C. Luna

Board Risk Oversight Committee
Chair: Engr. Generoso M. Orillaza – Independent Director
Members: Dr. Edward A. Chua – Independent Director
Dr. Nicolas S. Molon
Dr. Amado Manuel C. Enriquez, Jr.
Dr. Felix P. Nolasco

There were no major deviations from the adopted Manual on Corporate Governance.

The Independent directors have submitted their Certificates of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.

PART VI - EXHIBITS AND SCHEDULES

(a) Exhibit

* 2025 Audited Financial Statements

(b) Reports on SEC Form 17-C [January-Dec 2025]

DATE	EVENT REPORTED
April 3, 2025	Setting of the Date of the Annual Stockholders Meeting
May 28, 2025	Amendment of the Bylaws (Sections 1,3,7&8, Article II)
June 30, 2025	Appointment of External Auditor Election of Directors for the Year 2025-Y2026 Amendment of the Bylaws (Sections 1,3,7 & 8, Article II) Approval of the Y2024 Audited Financial Statements
July 9, 2025	Election of Officers
July 12, 2025	Appointment of Members of Various Committees

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporate Code of the Philippines, this annual report has been signed on behalf of the issuer, by the following persons in the capacities and on the dates indicated.

MCARTHUR CONRADO A. SALONGA, JR.
President

MARIETTA T. SAMOY
Corporate Secretary

EVANGELINE Y. ZOZOBRADO
Treasurer

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, for and in the City of _____, Philippines; affiants exhibited to me their Tax IDs:

AFFIANTS	TIN/SSS Nos.
McArthur Conrado A. Salonga Jr.	185-815-297-000
Marietta T. Samoy	153-713-101-000
Evangeline Y. Zozobrado	133-733-843-000

NOTARY PUBLIC

ATTY. MARIA DIVINA GRACIA B. FERNANDEZ
NOTARY PUBLIC FOR CEBU CITY
Notarial Commission No. 104-25 Until December 31, 2026
Roll of Attorney No. 66775
Room 119, Mezzanine Floor, CDC Bldg. Osmeña Blvd., Cebu City
IBP OR No. 575090/12-29-25/Cebu City
PTR No. 2978606/12-23-25/Cebu City
MCLE Compliance No. VIII-0041401
Valid until April 14, 2028
jajamariabernaldez@yahoo.com

Doc. No. 363
Page No. 74
Book No. 5
Series of 2026.

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

Allied Care Experts (ACE) Medical Center-Cebu Inc.
N. Bacalso Avenue, Basak Pardo, Cebu City
Attention: The Corporate Secretary

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.

FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023

and

Report of Independent Auditors

ALLIED
CARE
EXPERTS
MEDICAL CENTER - CEBU

982 N. Bacalso Avenue,
Basak Pardo, Cebu City
Cebu, Philippines 6000
info@acemedicalcentercebu.com
www.acemedicalcentercebu.com
+63 32 265 5833 / +63 920 911 3221

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

PEREZ, SESE, VILLA & CO., the independent auditors appointed by the shareholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

GEANIE A. CERNA-LOPEZ
Chairman of the Board

MCARTHUR CONRADO A. SALONGA, JR, M.D.
President

EVANGELINE Y. ZOZOBRADO, M.D.
Treasurer

Signed this April 17, 2026.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the CEBU CITY Philippines, this MAY 04 2026, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED
GEANIE A. CERNA-LOPEZ	PRC ID - 0048908	
MCARTHUR CONRADO A. SALONGA JR.	PRC ID - 0094997	
EVANGELINE Y. ZOZOBRADO	PRC ID - 0050299	

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PAGE NO. 10
BOOK NO. 9
SERIES OF 20 26

ATTY. JULIEFE P. CUENCA, JD, CPA, REB, REA
Notary Public for Cebu City
Notarial Commission No. 096-19, valid until 12/31/2026
Roll of Attorney's No. 72441
IBP No. 590010 - 1/06/2026 - Cebu Chapter
PTR No. 8594052 - 1/06/2026 - Cebu City
MCLE Compliance No. VIII-0081691 April 23, 2024
Office Address: Greyhound Subd., Kinasang-an Pardo, Cebu City
Contact No. 09434381465/ Email: juliefecuenca@yahoo.com

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

SUPPLEMENTAL STATEMENT
OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER – CEBU, INC.
982 N. Bacalso Avenue, Basak Pardo
Cebu City

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 17, 2026.

In compliance with the Revised Securities Registration Code Rule No. 68, we are stating that the Company has sixty-four (64) shareholders owning one hundred (100) or more shares of the Company's capital stock as at December 31, 2025, as disclosed in Note 18 to the financial statements.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 8, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 1, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 1, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 17, 2026

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To The Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER – CEBU, INC.
982 N. Bacalso Avenue, Basak Pardo
Cebu City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.** (the Company) for the year ended December 31, 2025 and have issued our report thereon dated April 17, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of Financial Soundness Indicators, Reconciliation of Retained Earnings Available for Dividend Declaration, and Supplementary Schedules required by Annex 68-J, are the responsibility of the Company's management. This supplementary schedule is presented for the purpose of complying with the Revised Securities Regulation Code (SRC) Rule No. 68, and is not part of the basic financial statements. This supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

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REPORT OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER – CEBU, INC.
982 N. Bacalso Avenue, Basak Pardo
Cebu City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.** (the Company), which comprise the statements of financial position as at December 31, 2025, 2024 and 2023, and the statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, 2024 and 2023, and its financial performance and its cash flows for the years then ended and in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on 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) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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MANAGING PARTNER

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Manila, Philippines
April 17, 2026

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025, 2024 and 2023

	Notes	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
ASSETS				
Current Assets				
Cash	*4,6*	₱ **40,799,968**	₱ 27,922,458	₱ 12,584,050
Trade and other receivables	*4,7*	**32,918,060**	30,801,758	19,479,854
Inventories	*4,9*	**16,738,024**	17,637,344	15,728,711
Prepayments and other current assets	*4,5,10*	**69,374,769**	80,110,319	76,850,326
Total Current Assets		**159,830,821**	156,471,879	124,642,941
Non-Current Assets				
Property and equipment, net	*4,5,11*	**1,229,847,399**	1,266,500,187	1,301,894,317
Intangible assets	*4,5,12*	**1,241,026**	1,637,908	2,272,046
Deferred tax asset	*4,5,24*	**61,163,467**	77,649,265	53,442,585
Total Non-Current Assets		**1,292,251,892**	1,345,787,360	1,357,608,948
TOTAL ASSETS		₱ **1,452,082,713**	₱ 1,502,259,239	₱ 1,482,251,889
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	*4,13*	₱ **227,497,994**	₱ 186,321,295	₱ 120,812,150
Loans payable - current	*4,17*	**145,632,466**	121,540,391	401,046,247
Retention payable	*4,14*	**16,178,250**	16,815,238	17,015,238
Deposit for future stock subscription	*4,15*	**1,129,605**	1,129,605	39,230,000
Other current liabilities	*4,16*	**2,254,540**	3,074,615	1,792,478
Total Current Liabilities		**392,692,855**	328,881,144	579,896,113
Non-Current Liabilities				
Loans payable - non current	*4,17*	**775,733,470**	791,640,646	508,319,476
Total Liabilities		**1,168,426,325**	1,120,521,790	1,088,215,589
Equity				
Share capital	*4,18*	**226,530,000**	226,170,000	174,076,000
Share premium	*4,18*	**496,166,706**	495,006,706	491,236,706
Subscribed capital stock	*4,18*	**2,945,000**	3,265,000	3,725,000
Subscription receivable	*4,8*	**(23,885,267)**	(26,020,267)	(30,259,156)
Treasury shares	*4,18*	**(8,454,000)**	(8,266,000)	(5,639,000)
Other comprehensive income	*4,18*	**126,523,098**	126,523,098	126,523,098
Accumulated Deficits	*4*	**(536,169,149)**	(434,941,088)	(365,626,348)
Equity, net		**283,656,388**	381,737,449	394,036,300
TOTAL LIABILITIES AND EQUITY		₱ **1,452,082,713**	₱ 1,502,259,239	₱ 1,482,251,889

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For The Years Ended December 31, 2025, 2024 and 2023

	Notes	**2025**	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
REVENUES - net	*4,19*	**₱ 299,606,297**	₱ 224,919,469	₱ 216,551,056
COST OF SALES AND SERVICES	*4,20*	**(223,708,435)**	(185,307,313)	(207,155,016)
GROSS INCOME		**75,897,862**	39,612,156	9,396,040
OPERATING EXPENSES	*4,21*	**(63,889,833)**	(66,658,730)	(72,362,056)
OTHER INCOME	*4,22*	**6,126,360**	18,679,129	4,952,424
OTHER LOSSES	*4,6*	**-**	-	(36,313)
FINANCE COST	*4,17*	**(101,236,324)**	(83,987,936)	(65,198,331)
LOSS BEFORE TAX		**(83,101,935)**	(92,355,381)	(123,248,236)
INCOME TAX EXPENSE (BENEFIT)	*4,24*			
Current		**1,640,328**	1,166,039	216,185
Deferred		**16,485,798**	(24,206,680)	(31,029,997)
		18,126,126	(23,040,641)	(30,813,812)
		(101,228,061)	(69,314,740)	(92,434,424)
OTHER COMPREHENSIVE INCOME	*4,11*			
Items that will not be classified to profit or loss				
Fair value gains on land		**-**	-	168,697,464
Tax effect		**-**	-	(42,174,366)
		-	-	126,523,098
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**₱ (101,228,061)**	₱ (69,314,740)	₱ 34,088,674

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.

STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2025, 2024 and 2023

	Notes	**2025**	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
SHARE CAPITAL	*4,18*			
Balance at beginning of the year		**₱ 226,170,000**	₱ 174,076,000	₱ 172,896,000
Issuance		**360,000**	52,094,000	1,180,000
Balance at end of the year		**226,530,000**	226,170,000	174,076,000
SHARE PREMIUM	*4,18*			
Balance, beginning of the year		**₱ 495,006,706**	₱ 491,236,706	₱ 483,606,706
Additional		**1,160,000**	3,770,000	7,630,000
Balance, end of the year		**496,166,706**	495,006,706	491,236,706
SUBSCRIBED CAPITAL STOCK	*4,18*			
Balance, beginning of the year		**3,265,000**	3,725,000	4,635,000
Additional		**40,000**	51,634,000	270,000
Payments		**(360,000)**	(52,094,000)	(1,180,000)
Balance, end of the year		**2,945,000**	3,265,000	3,725,000
SUBSCRIPTION RECEIVABLE	*4,8*			
Balance at beginning of the year		**(26,020,267)**	(30,259,156)	(40,922,156)
Additional		**(1,200,000)**	(55,404,000)	(7,900,000)
Payments		**3,335,000**	59,642,889	18,563,000
Balance at end of the year		**(23,885,267)**	(26,020,267)	(30,259,156)
TREASURY SHARES	*4,18*			
Balance at beginning of the year		**(8,266,000)**	(5,639,000)	(3,318,000)
Repurchase		**(188,000)**	(2,627,000)	(2,321,000)
Balance at end of the year		**(8,454,000)**	(8,266,000)	(5,639,000)
REVALUATION SURPLUS	*4,18*			
Balance at beginning of the year		**126,523,098**	126,523,098	-
Revaluation for the year		**-**	-	126,523,098
Balance at end of the year		**126,523,098**	126,523,098	126,523,098
ACCUMULATED DEFICITS	*4*			
Balance, beginning of the period		**(434,941,088)**	(365,626,348)	(273,191,924)
Net loss for the year		**(101,228,061)**	(69,314,740)	(92,434,424)
Balance, end of the year		**(536,169,149)**	(434,941,088)	(365,626,348)
EQUITY, net		**₱ 283,656,388**	₱ 381,737,449	₱ 394,036,300

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2025, 2024 and 2023

	Notes	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		₱ **(83,101,935)**	(92,355,381)	₱ (123,248,236)
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	*4,23*	**41,913,077**	42,235,428	41,952,467
Interest income	*4,22*	**(7,810)**	(5,173)	(12,661)
Foreign currency (gain) loss	*4,22*	**-**	-	36,313
Interest expense	*4,17*	**101,236,324**	83,987,936	65,198,331
Operating income (loss) before changes in working capital		**60,039,656**	33,862,810	(16,073,786)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Trade and other receivables	*4,7*	**(2,116,302)**	(11,321,904)	811,110
Inventories	*4,9*	**899,320**	(1,908,633)	6,248,824
Prepayments and other current assets	*4,5,10*	**13,098,571**	(1,823,299)	(690,227)
Increase (decrease) in:				
Trade and other payables	*4,13*	**41,176,699**	65,509,145	17,372,150
Retention payable	*4,14*	**(636,988)**	(200,000)	(2,920,776)
Other current liabilities	*4,16*	**(820,075)**	1,282,137	585,304
Cash provided by operation		**111,640,881**	85,400,256	5,332,599
Interest received	*4,22*	**7,810**	5,173	12,661
Interest paid	*4,17*	**(101,236,324)**	(83,987,936)	(65,198,331)
Income taxes paid	*4,24*	**(4,003,349)**	(2,602,733)	(1,050,776)
Net cash provided by used in operating activities		**6,409,018**	(1,185,240)	(60,903,847)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*4,5,11*	**(4,620,115)**	(6,207,160)	(3,964,645)
Acquisition of intangible assets	*4,5,12*	**(243,292)**	-	(1,026,345)
Net cash used in investing activities		**(4,863,407)**	(6,207,160)	(4,990,990)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	*4,18*	**3,335,000**	21,542,494	18,563,000
Deposit for future stocks subscriptions	*4,15*	**-**	-	39,230,000
Purchase of treasury shares	*4,18*	**(188,000)**	(2,627,000)	(2,321,000)
Proceeds of loans	*4,17*	**13,183,632**	25,372,822	84,850,000
Payment of loans	*4,17*	**(4,998,733)**	(21,557,508)	(74,650,391)
Net cash provided by financing activities		**11,331,899**	22,730,808	65,671,609
NET INCREASE (DECREASE) IN CASH		**12,877,510**	15,338,408	(223,228)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH		**-**	-	(36,313)
CASH AT THE BEGINNING OF THE PERIOD		**27,922,458**	12,584,050	12,843,591
CASH AT THE END OF THE PERIOD		₱ **40,799,968**	₱ 27,922,458	₱ 12,584,050

(See accompanying Notes to Financial Statements)

NOTE 1 - GENERAL INFORMATION

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC. (the Company) is a stock corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on March 6, 2014 under SEC Registration No. CS201421675.

The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical, laboratories, diagnostic centers, ambulatory clinics, condo-hospital, scientific research institutions and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the .

The Company's secondary license to sell its common stocks to the public pursuant to Section 12 of the Securities Regulation Code (SRC) was approved on December 27, 2018.

Pursuant to the abeyance of the provisions of Executive Order No. 226 (otherwise known as the Omnibus Investments Code of 1987), the Company is eligible to enjoy certain grants, particularly, but not limited to – Income Tax Holiday – for a period of 4 years starting November 2018 or actual start of commercial operations, whichever is earlier (the availment of which shall not be earlier than the date of registration).

The Company's registered office and place of business is located at 982 N. Bacalso Avenue, Basak Pardo, Cebu City.

Approval of the financial statement

The financial statements of the Company for the year ended December 31, 2025 including the comparative figures as at December 31, 2024 and 2023, were approved and authorized for issue by the Board of Directors and Shareholders on April 17, 2026.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standard (PFRS) Accounting Standards.

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2025, 2024 and 2023 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

The financial statements are presented in Philippine Peso (₱) the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest peso, except when otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, unless otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

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 by 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.

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values is included in the following:

• Note 5 - Significant Accounting Judgments and Estimates
• Note 28 - Fair Value Measurement

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARD

The Company adopted all applicable accounting standards and interpretations as at December 31, 2025. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the Financial and

Sustainability Reporting Standards Council (FSRSC) in the Philippines, that were assessed by the Management to be applicable to the Company's financial statements are as follows:

Adoption of Amended Standards Effective Beginning on or after January 1, 2025:

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended Standards which the Company adopted effective for annual periods beginning January 1, 2025.

Unless otherwise indicated, the adoption of the new and amended standards did not have any material effect on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

New and Amended PFRS and PIC Issuances in Issue but Not Yet Effective or Adopted

Unless otherwise indicated the Company does not expect that the future adoption of the said pronouncements to have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective;

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*

    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  - Amendments to PFRS 9

    - Lessee Derecognition of Lease Liabilities
      The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

    - Transaction Price
      The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

Based on preliminary assessment, the management believes that the adoption of PFRS 18 will not affect total profit or equity of the Company. However, the adoption may affect the subtotals and performance measures presented in the statement of comprehensive income. The Company is continuously evaluating the full impact of this new standard on its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.
  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the company financial statements in the year of adoption, if applicable.

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These accounting policies information are considered material because of its amounts, nature and related amounts. These are material in understanding material information in the financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Company also modifies classification of prior year amounts to conform to current year's presentation.

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.

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVTPL, includes transaction costs.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss.

In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVTPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either (a) financial liabilities at FVTPL or (b) financial liabilities at amortized cost. The classification of a financial instruments largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2025, 2024 and 2023, the Company does not have financial assets and liabilities at FVTPL and FVOCI.

Financial Assets at Amortized Cost

Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses, if any. Amortized cost is

calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statements of income when the financial assets are derecognized, modified or impaired. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025, 2024 and 2023, the Company's cash, trade and other receivables are classified under this category. (Note 6 and 7)

Cash

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates. Meanwhile, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value and which have a maturity of three (3) months or less at acquisition.

Receivables

Patient receivables are amounts due from patients for the services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Patient receivables with average credit term of 15 to 30 days are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any.

The relevant policies on classification, recognition, measurement, impairment and derecognition are further disclosed below.

Receivables are recognized only when it becomes a party to a contractual provision that give rise to a payable of another entity. They are initially recognized at the transaction price including transaction cost and subsequently measured at amortized cost using the effective interest rate. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent assets.

Receivables are derecognized when the right to receive cash flows from the receivables have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At the end of each reporting date, the amounts of receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the Company's statements of comprehensive income. The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Financial liabilities

Classification and presentation

The Company classifies its financial liabilities in the following categories: (i) at amortized cost; and (ii) at fair value through profit or loss.

The Company did not hold any financial liabilities under category (ii) during and at the end of each reporting period.

Financial Liabilities at Amortized Cost

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Financial liabilities are recognized in the statement of financial position when, and only when the Company becomes a party to the contract provisions of the instrument.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2025, 2024 and 2023, the Company's trade and other payables, retention payable, advances from shareholders and loans payable are classified under this category (Notes 13, 14, 25 and 17).

Trade and Other Payables

Payables are recognized when the Company becomes a party to the contractual provision that gives rise to a receivable of another entity. Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent liabilities.

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the suppliers

Accrued expenses represent expenses incurred for the period, but not yet paid as at reporting date.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).
For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVTPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in Other Comprehensive Income (OCI).

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI shall be recognize in profit or loss.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVTPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Loss allowances of the Company are measured on either of the following bases:

• 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
• Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all patient receivables arising from individual patients, corporate accounts, health maintenance organizations and insurance companies. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with PFRS 15.

Additionally, the Company elects an accounting policy to recognize full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with PFRS 15.

General approach

The Company applies the general approach to provide for ECLs on non-trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
• significant financial difficulty of the counterparty;
• a breach of contract such as actual default; or
• it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred

financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Inventories

Inventories consists of various hospital, laboratory, office, housekeeping and dietary supplies. These are initially measured at cost. Costs of inventory include purchase price and all incidental cost necessary to bring the inventory to its saleable condition. Subsequently, inventories are reported in the statement of financial position at the lower of cost and net realizable value. Cost is calculated using the weighted average method.

Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Provision for inventory losses is established for slow moving, obsolete, defective and damaged inventories based on physical inspection and management evaluation.

Write-offs represent the release of previously recorded provision from the allowance account and credited to the related inventory account following the disposal of the inventories. Destruction of the obsolete and damaged inventories is made in the presence of regulatory agencies.
At each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its net realizable value. If an item of inventory is impaired, its carrying amount is reduced to net realizable value, and an impairment loss is recognized immediately in profit and loss. Any reversal of impairment is recognized also in profit or loss.

Reversals of previously recorded impairment provisions are credited in the statements of comprehensive income based on the result of Management's current assessment, considering available facts and circumstances, including but not limited to net realizable value at the time of disposal.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Prepayments and Other Current Assets

Prepayments and other current assets consist of prepaid expenses, prepaid income tax, input value-added tax (VAT) and advances for liquidation. These are initially measured at cost and are subsequently carried at cost less the portion already utilized.

Prepaid expenses represent payments made in advance for goods or services to be received in future periods. These are recognized as current assets upon payment.

These are recognized in profit or loss on a systematic basis over the period in which the related goods or services are consumed.

Prepaid expenses are derecognized when the related benefits have been consumed or when no future economic benefits are expected.

Prepaid income tax from Creditable Withholding Taxes (CWTs) CWTs represent amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source to the rules on Philippine income taxation. CWTs which are expected to be utilized as payment for income taxes within twelve months, are classified as current assets. Otherwise, it is presented as noncurrent assets.

Input VAT represents the value-added tax paid by the Company on its purchases of goods and services from VAT-registered suppliers. It is recognized as a current asset to the extent that it is recoverable by tax authorities or creditable against output VAT. Input VAT is

applied against output VAT in determining the VAT payable. Any excess of input VAT over output VAT is carried forward to subsequent periods and presented as a current asset.

Input VAT is measured at the amount of VAT paid and is carried at cost less any allowance for unrecoverable amounts, if any.

An allowance is recognized when there is objective evidence that a portion of input VAT may not be recoverable. The corresponding loss is recognized in profit or loss.

Input VAT is derecognized when it is utilized against output VAT or when it is determined to be no longer recoverable.

Prepayments and other current assets are classified as current assets when they are expected to be realized, consumed, or applied within twelve (12) months after the reporting date or within the Company's normal operating cycle. Otherwise, these are classified as non-current assets.

At each reporting date, prepaid expenses are assessed for impairment when there is an indication that the expected future economic benefits may not be fully recoverable. Any impairment loss is recognized in profit or loss.

Advances to Suppliers

Advances to suppliers represent payments made to suppliers for the purchase of medical equipment, instruments, supplies and other goods prior to the delivery of such goods. These are recognized as current assets when payment is made, as they represent a right to receive inventories or services in the future.

Advances to suppliers are initially measured at the amount of cash paid or consideration given. These are subsequently carried at cost, less any impairment losses, if any.

Upon receipt of the related goods, advances to suppliers are reclassified to inventories. Where the advances relate to services or other expenditures, these are reclassified to the appropriate expense or asset account, depending on the nature of the transaction.

At each reporting date, advances to suppliers are assessed for impairment when there is objective evidence that the Company may not be able to recover the full amount.

An impairment loss is recognized when the carrying amount exceeds the recoverable amount, taking into account factors such as supplier non-performance, disputes, or financial difficulties. Impairment losses are recognized immediately in profit or loss.

Advances to suppliers are derecognized when:

- the related goods or services have been received and recognized; or
- the right to receive goods or services is extinguished or no longer recoverable.

Any resulting loss on derecognition is recognized in profit or loss.

Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property, plant and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment except for Land are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Land is subsequently measured at revalued amounts, being its fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers.

Any revaluation increase arising on the revaluation of land is recognized as other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is charged to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation surplus relating to a previous revaluation of that asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Cost includes property development and construction costs and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences at the time the assets are ready for their intended use. Any impairment loss from the construction project is immediately recognized in profit and loss.

Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives. Land is not depreciated.

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.
When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Intangible Assets

Intangible asset represents purchased hospital information system. This is initially measured at cost and is presented in the statement of financial position at cost less accumulated amortization and any accumulated impairment losses. Computer software is amortized over its estimated useful life of five years using the straight-line method. If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.
When assets are sold, retired or otherwise disposed of, their cost and related accumulated amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax losses, and unused tax credits to the extent that it is probable that future taxable profit

will be available against which the deductible temporary differences and carryforward benefits can be utilized.

Deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realized, based on tax laws that have been enacted or substantively enacted as at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right to offset current tax assets against current tax liabilities exists and the deferred taxes relate to the same taxable entity and the same taxation authority.

Impairment of Non-financial Assets

At each reporting date, the carrying amount of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss.

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Current Liabilities

Other current liabilities consist primarily of government taxes payable and statutory payables, including obligations to government agencies arising in the ordinary course of business.

These liabilities are recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Other current liabilities are presented in the statement of financial position at their undiscounted amounts, as they are generally expected to be settled within one year.

Advances from Shareholders

Advances from shareholders represent non-trade payables arising from transactions with shareholders other than equity contributions.

Advances from shareholders are recognized as financial liabilities, when the Company becomes a party to the contractual arrangement.

These balances are initially measured at transaction price and subsequently measured at amortized cost, using the straight-line method or effective interest method, as applicable.

Advances from or to shareholders are classified as current or non-current depending on the expected timing of settlement.

If the advances are non-interest bearing, they are measured at transaction price, unless the arrangement constitutes, in substance, an equity contribution or distribution.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents advance payment made by shareholders and prospective shareholders for future stock subscription.

This shall be presented under equity as separate account from Outstanding Capital Stock if and only if, all the following are present as of end of reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

Otherwise, the amount of deposit for future stock subscription is presented under liability.

Loans Payable

Bank loans are recognized initially at the transaction price, which is the fair value of the consideration received, net of directly attributable transaction costs, if any.

Subsequent to initial recognition, bank loans are measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss over the term of the loan based on the applicable interest rate.

Borrowings are classified as current liabilities when they are due to be settled within twelve (12) months after the reporting date, or when the Company does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting date. All other borrowings are classified as non-current liabilities.

Retention Payable

Retention payable represents a portion of billings withheld by the Company from contractors and suppliers in accordance with construction contracts, to ensure satisfactory completion of contractual obligations and to cover potential defects during the defect liability period.

Retention payable is recognized:

- When the related construction work or services have been performed and certified; and
- When the Company has a present obligation to pay the contractor, subject only to the retention provision.

The retained amount forms part of the total contract cost of the hospital building and is initially recognized as part of:

- Construction in progress (CIP) (if the asset is not yet completed); or
- Property and equipment (upon completion and capitalization).

Retention payable is measured at the contracted retention rate , as stipulated in the construction agreement.

It is initially recognized at fair value, which normally equals the invoiced retention amount, as the effect of discounting is generally not material due to the short-term nature of the obligation.

After initial recognition, retention payable is measured at amortized cost, which generally equals the undiscounted amount due since:

- The liability is non-interest bearing; and
- Settlement is expected within the defect liability period.

If the retention period is long-term and the impact of discounting is material, the liability is measured at present value using an appropriate discount rate.

Retention payable is classified as current liability if expected to be settled within 12 months after the reporting period or Non-current liability if settlement is expected beyond 12 months.

Retention payable is derecognized when the obligation is settled or payment is released to the contractor) or the Company is legally discharged from the obligation.

Payments are typically made upon final acceptance of the hospital building or expiry of the defect liability period, subject to no outstanding defects.

Related Considerations

- If there are identified defects or claims, the Company assesses whether a provision should be recognized in accordance with PAS 37.
- Retention payable does not reduce the cost of the asset; rather, it represents a financing arrangement with the contractor.
- Any penalties, liquidated damages, or adjustments are accounted for separately in accordance with contract terms.

Equity

Share Capital and Equity Instruments

The Company recognizes equity instruments when it issues shares of stock pursuant to its authority under its secondary license to offer shares to the public.

Equity instruments represent residual interest in the assets of the Company after deducting all liabilities.

Proceeds from issuance of shares are recognized as equity when:

- The shares are subscribed; and
- Consideration is received or becomes receivable.

Equity instruments are measured at:

- Par value of the shares issued, recognized as Share Capital; and
- Any excess over par value is recognized as Share Premium.

Transaction costs directly attributable to the issuance of shares (e.g., legal fees, registration fees, underwriting costs) are deducted from equity, net of any related tax benefit.

Subscribed Capital Stock

Subscribed capital stock represents shares that have been subscribed by investors but are not yet fully paid.

- The total subscription is disclosed in the notes to financial statements;
- The unpaid portion is recognized as Subscription Receivable, presented as a deduction from equity;
- Share capital is recognized only to the extent of subscriptions that are considered issued in accordance with applicable regulations.

Treasury Shares

The Company may acquire its own shares. These are accounted for as treasury shares and are recognized as a deduction from equity at cost.

No gain or loss is recognized in profit or loss on purchase, sale, or cancellation of treasury shares.

Dividends

Dividends are recognized as a liability and deducted from equity when declared and approved by the Board of Directors.

Share Capital

Share capital is measured at par value for all shares issued. Proceeds and/or fair value of considerations received more than par value are recognized as capital more than par value.

Capital stock represents the par value of shares that were issued at the end of the reporting period.

Share Premium

Share premium includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from Share premium, net of any related income tax benefits. It represents any contribution of stockholders over the par value of the shares.

Accumulated Deficits

Accumulated deficits represent accumulated losses incurred by the Company. It includes effect of changes in accounting policy as may be required by the standard's transitional provisions and effect of correction of prior period errors.

Basic earnings per share

Basic earnings per share (EPS) is computed by dividing the net income or loss attributable to the members of the Club by the weighted average number of outstanding equity shares during the reporting period.

Diluted earnings per share is computed by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive equity instruments, if any.

Revenue

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of consideration received or receivable excluding discounts, returns and sales taxes. Revenue is recognized either at a point in time or over a period of time.

Hospital revenue

Revenue from primary healthcare services is recognized over a period of time because the customer simultaneously consumes the benefit as the performance obligation is satisfied.

Any consideration received that are payable to third parties are accounted as a reduction of the transaction price / hospital revenues. This includes professional fees of doctors received from patients in behalf of the doctors and are subsequently reimbursed to doctors.

Sale of drugs and medicines

Revenue from sale of drugs and medicines is recognized at the point in time when control over the goods is transferred to the customer, generally upon delivery of the goods at the customer's location.

Other income

Other income which includes income from cafeteria and miscellaneous income is recognized over a period of time because the customer simultaneously consumes the benefit as the performance obligation is satisfied.

Interest income

Interest income comprises interest income on bank deposits. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

Other Comprehensive Income

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. Other Comprehensive Income pertains to cumulative gain on revaluation of land.

Expenses

Expenses are decreases in economic benefits in the form of decreases in assets or increase in liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Cost of sales and services

Cost of sales and services are recognized in profit or loss in the period the goods are sold and when services are rendered.

Operating expenses

This account includes selling and general & administrative expenses. Selling expenses pertain to cost of marketing and distribution of goods and rendering of services to customers. General & administrative expenses represent expenses attributable to administrative and other business activities of the Company.

Borrowing cost

Borrowing costs include interest and other charges related to borrowing arrangements.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Income Tax

Income tax expense includes current tax expense and deferred tax expense.

Current Tax. Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable

income will be available against which the deductible temporary differences and carryforwards of unused MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Employee Benefits

Short-term benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th month pay, employer share contributions and other de minimis benefits, among others.

These are recognized as expense in the period the employees render services to the Company.

Retirement Benefits

The Company provides retirement benefits to qualified employees in accordance with Republic Act No. 7641 (Retirement Pay Law). The retirement benefit obligation is computed based on the employees' current salary multiplied by their years of service, consistent with the minimum retirement benefit prescribed under the law.

The Company accounts for retirement benefits using the accrual method. The cost of providing retirement benefits is recognized as an expense over the period in which employees render the related services. The retirement liability is measured as the present value of the defined benefit obligation at the end of the reporting period.

As of the reporting date, the Company has not recognized any retirement benefit obligation as none of its employees are currently entitled to retirement benefits under the provisions of the law.

Management will reassess the need to obtain an actuarial valuation in the future should the number of employees increase or the retirement benefit obligation become significant.

Related Parties

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless whether a price is charged. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the Company and close members of the family of any such individual; and (d) the Company's funded retirement plan.

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

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

Changes in accounting policies, change in accounting estimates and correction of prior period errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

Changes in accounting estimates is recognized prospectively by reflecting it in the profit and loss in the period of the change if the change affects that period only or the period of the change and future periods if the change affects both.

Prior period errors are omissions from, and misstatements in, the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior periods(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Judgment

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

Determination of ECL on Financial Assets

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Details about the ECL on the Company's financial assets are disclosed in Note 26.

Assessment of Impairment of Nonfinancial Assets

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss of nonfinancial assets was recognized in the Company's financial statements in either 2025, 2024 and 2023.

Determination of Net Realizable Value of Inventories

In determining the net realizable value of inventories, management takes into account whenever events or changes in circumstances indicate that the carrying amount of the inventory may not be recoverable. The factors that the Company considers important which could trigger an impairment review include significant decline in inventories' market value, obsolescence and physical damage of inventories. If such indications are present and where the cost of inventories exceeds its estimated selling price less costs to sell, an impairment loss is recognized in profit or loss.

There was no objective evidence of impairment of inventory in either 2025, 2024 and 2023, and therefore no impairment loss was recognized in either of those years.

Revaluation of Property and Equipment

The Company's Land under property and equipment is measured using the revaluation model in accordance with PAS 16. The determination of fair values involves significant judgments and estimates. Management exercises judgment in determining the appropriate valuation approach and techniques to be applied by independent appraisers. This includes the selection of comparable market data, consideration of the highest and best use of the assets, and assessment of whether observable inputs are available. Management also evaluates the competence, capabilities, and objectivity of the external valuers engaged. Details on Land at revalued amount is discussed in Note 11.

Estimates

The following are 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:

Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 26.

Estimating value of Land

The revaluation of land requires the use of estimates such as market values, replacement costs, depreciation rates, and economic useful lives. Fair values are generally based on market comparable data for land and on depreciated replacement cost or income approaches for buildings and improvements, depending on the nature of the asset and availability of observable inputs.

Key assumptions used in the valuation include, among others, price per square meter, construction costs, physical deterioration, functional and economic obsolescence, and prevailing market conditions. Changes in these assumptions may significantly affect the resulting fair values and the amount of revaluation surplus recognized in equity.

Management ensures that revaluations are performed with sufficient regularity to ensure that the carrying amounts do not materially differ from fair values at the reporting date.

Estimating useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment:

Description	Useful Lives
Building	50 years
Medical equipment	5 - 10 years
Transportation equipment	5 years
Office furniture and fixtures	5 years
Dietary tools and equipment	3 – 5 years

Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025, 2024 and 2023 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 24.

NOTE 6 - CASH

This account consists of:

	2025	2024	2023
Cash on hand	**₱ 1,047,637**	₱ 3,911,026	₱ 3,817,444
Cash in banks	**39,752,331**	24,011,432	8,766,606
	₱ 40,799,968	₱ 27,922,458	₱ 12,584,050

Cash in banks generally earn interest at bank deposit rates. These are unrestricted and available for use in the Company's operation. Interest income earned from cash in banks amounted to ₱7,810, ₱5,173 and ₱12,661 for the years 2025, 2024 and 2023, respectively, and is presented under other income in the statements of comprehensive income. (Note 22)

NOTE 7 - TRADE AND OTHER RECEIVABLES

This account consists of:

	2025	2024	2023
Trade receivable	**₱ 44,427,658**	₱ 43,114,610	₱ 45,397,057
Advances to consultants and employees	**-**	812,734	50,337
Other receivable	**6,620,696**	3,400,000	3,400,000
	51,048,354	47,327,344	48,847,394
Allowance for credit losses	**(18,130,294)**	(16,525,586)	(29,367,540)
	₱ 32,918,060	₱ 30,801,758	₱ 19,479,854

Trade receivables pertain to receivables from patients, reimbursements from HMO, DSWD and PhilHealth availed by the patients.

Advances to consultants and employees pertains to cash advances which are collectible through deduction from professional fees and salaries.

Other receivable pertains to the embezzlement of funds by former employees which are under investigation and pending judgement in the case. The Company set up provision for credit losses for the whole amount.

The Company recognized provision for expected credit losses amounting to ₱18,130,294 in 2025, ₱16,525,586 in 2024 and ₱29,367,540 in 2023, which is presented as part of operating expenses in the statements of comprehensive income.

A reconciliation of the allowance for expected credit losses at the beginning and end of 2025, 2024 and 2023 is shown below:

	2025	2024	2023
Balance at January 1	**₱ 16,525,586**	₱ 29,367,540	₱ 18,547,152
Credit losses (Note 26, 21)	**1,604,708**	-	10,820,388
Recovery of allowance (Note 22)	**-**	(12,841,954)	-
Balance, December 31	**₱ 18,130,294**	₱ 16,525,586	₱ 29,367,540

NOTE 8 - SUBSCRIPTION RECEIVABLE

Subscription receivable represents the unpaid portion of subscribed capital stock arising from the Company's issuance of shares pursuant to its secondary license to offer shares to the public under Section 12 of the Securities Regulation Code (SRC).

These receivables are non-interest bearing and are generally collectible within twelve (12) months from the date of subscription.

As at December 31, 2025, 2024 and 2023, subscription receivable amounted to ₱23,885,267, ₱26,020,267 and ₱30,259,156 respectively

Subscription receivable is presented as a deduction from equity in the statement of financial position, as it pertains to unpaid subscriptions on shares not fully paid.

Management expects to collect these receivables within the agreed credit period and has assessed that no impairment is necessary as at reporting date.

NOTE 9 - INVENTORIES

This account consists of:

	2025	2024	2023
Hospital supplies	**₱ 10,529,818**	₱ 9,491,753	₱ 9,609,483
Laboratory supplies	**2,763,069**	2,380,283	3,149,162
Office supplies	**1,681,191**	2,889,830	1,227,883
Linen supplies	**1,308,819**	1,050,155	711,585
Dietary supplies	**455,127**	1,825,323	1,030,598
	₱ 16,738,024	₱ 17,637,344	₱ 15,728,711

Inventories consist mainly of pharmacy, laboratory, and hospital supplies, which include medicines and medical supplies administered or used in the treatment and care of patients.

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition.

The cost of inventories recognized as expense and charged to cost of sales and services during the year amounted to ₱78,145,268 in 2025, ₱54,697,661 in 2024 and ₱71,675,743 in 2023.

No portion of the Company's inventories was pledged as security for any liability as of December 31, 2025, 2024 and 2023.

NOTE 10 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2025	2024	2023
Input VAT	**₱ 29,194,709**	₱ 29,228,439	₱ 29,760,640
Advances to suppliers	**29,532,066**	42,859,364	41,313,487
Prepaid income tax (Note 24)	**6,523,471**	4,160,450	2,723,756
Creditable withholding tax	**4,124,523**	3,833,837	2,295,910
Prepaid withholding tax on compensation	**-**	28,229	756,533
	₱ 69,374,769	₱ 80,110,319	₱ 76,850,326

Input VAT pertains to value-added taxes paid on purchases of goods and services that are creditable against future output value-added taxes in accordance with applicable tax regulations.

Advances to suppliers represent prepayments made to vendors for the purchase of medical supplies, hospital equipment, and other operating requirements of the Company.

These advances are applied against future deliveries of goods and are subsequently recognized as inventories or property and equipment, depending on the nature and intended use of the items upon receipt.

Advances to suppliers are non-interest bearing and are carried at cost. The Company assesses these balances for recoverability and recognizes an allowance when there is objective evidence that the advances may not be fully recoverable.

Prepaid income tax pertains to excess income tax payment and creditable tax on income payment which can be credited against Company's future income tax liability.

Prepaid withholding tax on compensation pertains to the excess payment/remittance of withholding taxes on compensation of the employees. These are creditable on the succeeding remittance of employees withholding taxes.

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT, net

Land is carried under the revaluation model, while all other property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, in accordance with PAS 16.

The revaluation surplus is recognized in other comprehensive income and accumulated in equity under Revaluation Surplus, unless it reverses a previously recognized revaluation decrease.

A reconciliation of the carrying amounts at the beginning and end of year 2025, 2024 and 2023 of property plant and equipment is shown below:

2025

	Land	Building	Transportation Equipment	Office, Furniture and Fixtures	Medical Equipment	Dietary Tools and Equipment	Total
Cost							
1-Jan-25	₱ 277,318,000	₱ 946,973,787	₱ 4,000,101	₱ 18,399,141	₱ 185,552,353	₱ 686,368	₱ 1,432,929,750
Additions	-	-	122,000	3,110,787	1,387,328	-	4,620,115
Disposals	-	-	-	-	-	-	-
31-Dec-25	₱ 277,318,000	₱ 946,973,787	₱ 4,122,101	₱ 21,509,928	₱ 186,939,681	₱ 686,368	₱ 1,437,549,865
Accumulated Depreciation							
1-Jan-25	-	75,264,405	3,906,908	13,647,780	72,924,102	686,368	166,429,563
Depreciation	-	18,939,475	100,690	3,691,796	18,540,942	-	41,272,903
31-Dec-25	-	94,203,880	4,007,598	17,339,576	91,465,044	686,368	207,702,466
Carrying amounts 31-Dec-25	**₱ 277,318,000**	**₱ 852,769,907**	**₱ 114,503**	**₱ 4,170,352**	**₱ 95,474,637**	**₱ -**	**₱ 1,229,847,399**
Carrying amounts 31-Dec-24	₱ 277,318,000	₱ 871,709,382	₱ 93,193	₱ 4,751,361	₱ 112,628,251	₱ -	₱ 1,266,500,187

2024

	Land	Building	Transportation Equipment	Office, Furniture and Fixtures	Medical Equipment	Dietary Tools and Equipment	Total
Cost							
1-Jan-24	₱277,318,000	₱ 942,328,808	₱ 4,000,101	₱ 17,157,617	₱ 185,231,696	₱ 686,368	₱ 1,426,722,590
Additions	-	4,644,979	-	1,241,524	320,657	-	6,207,160
Disposals	-	-	-	-	-	-	-
31-Dec-24	277,318,000	946,973,787	4,000,101	18,399,141	185,552,353	686,368	1,432,929,750
Accumulated Depreciation							
1-Jan-24	-	56,417,829	3,106,888	10,216,256	54,400,932	686,368	124,828,273
Depreciation	-	18,846,576	800,020	3,431,524	18,523,170	-	41,601,290
31-Dec-24	-	75,264,405	3,906,908	13,647,780	72,924,102	686,368	166,429,563
Carrying amounts 31-Dec-24	**₱ 277,318,000**	**₱ 871,709,382**	**₱ 93,193**	**₱ 4,751,361**	**₱ 112,628,251**	**₱ -**	**₱ 1,266,500,187**
Carrying amounts 31-Dec-23	₱ 277,318,000	₱885,910,979	₱ 893,213	₱ 6,941,361	₱ 130,830,764	₱ -	₱ 1,301,894,317

2023

	Land	Building	Transportation Equipment	Office, Furniture and Fixtures	Medical Equipment	Dietary Tools and Equipment	Total
Cost							
1-Jan-23	₱ 108,620,536	₱ 940,297,161	₱ 4,000,101	₱ 16,376,343	₱ 184,079,972	₱ 686,368	₱ 1,254,060,481
Additions	-	2,031,647	-	781,274	1,151,724	-	3,964,645
Disposals	-	-	-	-	-	-	-
Revaluation	168,697,464	-	-	-	-	-	168,697,464
31-Dec-23	277,318,000	942,328,808	4,000,101	17,157,617	185,231,696	686,368	1,426,722,590
Accumulated Depreciation							
1-Jan-23	-	37,611,886	2,306,868	6,935,408	35,992,935	457,578	83,304,675
Depreciation	-	18,805,943	800,020	3,280,848	18,407,997	228,790	41,523,598
31-Dec-23	-	56,417,829	3,106,888	10,216,256	54,400,932	686,368	124,828,273
Carrying amounts 31-Dec-23	**₱ 277,318,000**	**₱885,910,979**	**₱ 893,213**	**₱ 6,941,361**	**₱ 130,830,764**	**₱ -**	**₱ 1,301,894,317**
Carrying amount 31-Dec-22	₱ 108,620,536	₱902,685,275	₱ 1,693,233	₱ 9,440,935	₱ 148,087,037	₱ 228,790	₱ 1,170,755,806

Revaluation of Land

The Company's parcels of land were revalued using a combination of the cost approach and market (direct sales comparison) approach.

- The cost approach reflects the amount that would be required to replace the asset, based on the principle of substitution.

- The market approach determines value based on recent market transactions involving comparable properties and current listings.

The revaluation resulted in a surplus recognized in other comprehensive income amounting to ₱126,523,098 in 2023, net of deferred tax. There were no revaluation changes recognized in 2025 and 2024.

Carrying Amounts of Pledged Assets

Certain property and equipment are pledged as collateral for the Company's borrowings (Note 17), as follows:

	2025	2024	2023
Land and building	₱ **1,130,087,906**	₱ 1,149,027,382	₱ 1,163,228,979
Medical equipment	**185,552,353**	112,628,251	130,830,764
	₱ **1,315,640,259**	₱ 1,261,655,633	₱ 1,294,059,743

The Company assesses at each reporting date whether there is any indication that an item of property and equipment may be impaired, in accordance with PAS 36.

As at December 31, 2025, 2024 and 2023, management determined that there are no indicators of impairment, and accordingly, no impairment loss was recognized.

Depreciation expense were presented in the statement of comprehensive income as follows (Note 20 and 21):

	2025	2024	2023
Cost of sales and services	₱ **37,581,107**	₱ 38,169,766	₱ 38,242,748
Operating expenses	**3,691,796**	3,431,524	3,280,850
	₱ **41,272,903**	₱ 41,601,290	₱ 41,523,598

NOTE 12 - INTANGIBLE ASSET

Intangible assets consist primarily of the Hospital Information System (HIS) acquired by the Company. These are intended to support its hospital operations, including patient information management, billing, medical records processing, and other administrative and operational functions.
Intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. The cost of the intangible asset includes the purchase price and other directly attributable costs necessary to bring the asset to its intended use.

Amortization is computed using the straight-line method over the estimated useful life of five (5) years, reflecting the pattern in which the future economic benefits of the asset are expected to be consumed by the Company. Amortization commences when the system becomes available for use and is recognized as part of operating expenses in the statements of comprehensive income.

A reconciliation of the carrying amounts at the beginning and end of year 2025, 2024 and 2023 is shown below:

	2025	2024	2023
Cost			
Balance, beginning of the year	**₱ 3,170,692**	₱ 3,170,692	₱ 2,144,347
Additions	**243,292**	-	1,026,345
Balance, end of the year	**3,413,984**	3,170,692	3,170,692
Accumulated Amortization			
Balance, beginning of the year	**1,532,784**	898,646	469,777
Amortization	**640,174**	634,138	428,869
Balance at end of year	**2,172,958**	1,532,784	898,646
Carrying amount	**₱ 1,241,026**	₱ 1,637,908	₱ 2,272,046

The amortization of intangible asset is presented as part of operating expenses (Note 21).

The estimated useful life, amortization method, and residual value of the intangible asset are reviewed at least annually and adjusted prospectively, if appropriate.

Management expects that the system will continue to support hospital operations and provide economic benefits to the Company throughout its remaining useful life.

There were no contractual commitments for the acquisitions of additional intangible assets as of the reporting date.

The Company assesses at each reporting date whether there are indicators that the intangible asset may be impaired. If such indicators exist, the Company estimates the recoverable amount of the asset in accordance with PAS 36.

Based on management's assessment, no impairment loss was recognized on its intangible assets for the years ended December 31, 2025, 2024 and 2023, as the recoverable amount of the asset exceeds its carrying value.

NOTE 13 - TRADE AND OTHER PAYABLES

This account consists of:

	2025	2024	2023
Trade payable	**₱ 129,552,994**	₱ 144,849,182	₱ 104,225,521
Accrued expense	**97,745,000**	41,472,113	16,586,629
Miscellaneous deposit	**200,000**	-	-
	₱ 227,497,994	₱ 186,321,295	₱ 120,812,150

Trade payables represent unpaid balances arising from purchases of supplies and professional fees payable to doctors. These payables are non-interest bearing and are generally payable within 30 to 60 days.

Accrued expenses represent liabilities for expenses incurred but not yet billed or paid as of the reporting date. These includes interest on bank loans, professional fees, utilities, salaries and wages and outside services.

Miscellaneous deposit pertains to the amount collected from HMO, which is refundable upon termination of the accreditation.

NOTE 14 - RETENTION PAYABLE

Retention payable represents amounts retained by the Company from contractors' progress billings in accordance with the terms of the construction contracts. These amounts are payable upon completion of the project and acceptance of the contractor's work by the Company, subject to the terms and conditions of the construction agreement. This amounted to ₱16,178,250, ₱16,815,238 and ₱17,015,238 as at December 31, 2025, 2024 and 2023 respectively.

NOTE 15 - DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

On November 1, 2024, the Board of Directors and shareholders approved the issuance of 51,291 common shares from the Company's unissued capital stock at a par value of ₱1,000 per share.

As at December 31, 2025 and 2024, the Company received deposits from shareholders amounting to ₱1,129,605 intended for future stock subscription.

These deposits are presented as current liabilities as at reporting date since the requirements for recognition as equity under PAS 32 have not yet been fully satisfied. Specifically:

- The issuance of shares has not yet been completed; and/or
- The deposits remain subject to completion of subscription documentation and regulatory requirements.

Accordingly, the amounts are not yet recognized as part of share capital or share premium.

The deposits are expected to be applied against future share issuances upon completion of all necessary approvals and documentation. Otherwise, such amounts may be refundable to the subscribers.

NOTE 16 - OTHER CURRENT LIABILITIES

This account consists of:

	2025	2024	2023
Statutory payable	**₱ 1,256,745**	₱ 2,323,867	₱ 925,488
Withholding taxes payable	**997,795**	750,748	866,990
	₱ 2,254,540	₱ 3,074,615	₱ 1,792,478

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund.

Withholding taxes payable represents taxes withheld on compensation and at source which are due for remittance in the succeeding period.

NOTE 17 - LOANS PAYABLE

Outstanding balances of the Company's loans payable are summarized as follows:

	2025	2024	2023
Current	**₱ 145,632,466**	₱ 121,540,391	₱ 401,046,247
Non-current	**775,733,470**	791,640,646	508,319,476
Total	**₱ 921,365,936**	₱ 913,181,037	₱ 909,365,723

Land Bank of the Philippines

The Company obtained credit lines from Land Bank of the Philippines (LBP) with various draw down as follows; on September 1, 2016 the amounts of ₱465,000,000 payable in ten (10) years and ₱35,000,000 payable in seven (7) years, and on August 24, 2019 the amounts of ₱350,000,000 payable in seven (7) years. The purpose of the ₱465,000,000 term loan was to finance the construction of the hospital building while the ₱35,000,000 and ₱350,000,000 term loans were intended for the acquisition of various medical machines and equipment. As of December 31, 2023, all amounts are fully drawn.

These loans are secured by a real estate mortgage, covering the Company's land and building, including all existing and future improvements thereon. The credit line for the construction of the hospital building was provided with 3 years grace period on the principal payments, while the credit line for the acquisition of various medical machines and equipment was provided with 2 years grace period. Interest at stated rate is 6% per annum.

The Company's land and building with a total carrying value of ₱1,130,087,906, ₱1,149,027,382, and ₱1,163,228,979, as of December 31, 2025, 2024 and 2023, respectively, and medical equipment with a carrying amount of ₱113,520,350, ₱112,628,251 and ₱130,830,764, as of December 31, 2025, 2024 and 2023, respectively were used as collateral on the loans. (Note 11)

The loan agreement with the bank provides certain restrictions and requirements with respect to, among others, maintenance of debt to equity ratio of 80:20, percentage of ownership of specific shareholders and additional guarantees for the incurrence of additional long-term indebtedness. As of December 31, 2025 and 2024, the Company is compliant with the terms of its loan agreement.

On December 18, 2020, the Company obtained additional loan from LBP amounting to ₱50,000,000 for working capital purposes. This is payable in 10 bi-annual payments with interest of 5.75% per annum. This loan is not secured by any collateral.

On September 20, 2021, the Company applied for the renewal of the short-term loan amounting to ₱50,000,000 for working capital purposes.

In 2022, the Company availed additional loan amounting to ₱27,500,000 for working capital purposes. In the same year, LBP approved the Company's request for the deferment of the principal repayments for Term Loan 2 and Term Loan 3 amounting to ₱17,222,222. The principal repayment for Term Loan 1 amounting to ₱5,000,000 due on September 2023 will be spread equally during the remaining amortization period to commence on December 2, 2023. The principal repayment for Term 3 amounting to ₱6,111,111 per quarter due on May 24, 2023 and August 24, 2022 will be spread equally during the remaining amortization commencing on November 24, 2022.

In 2023, the Company obtained short-term loan from Security Bank amounting to ₱26,500,000 with interest rate of 7.88% per annum for working capital purposes, payable in five (5) yeas.

On August 22, 2024, the Company restructured its Land Bank loans by consolidating all term and short-term loans into a single seven-year loan with a two-year principal grace period. The loan carries an interest rate of 10.9427% per annum. Quarterly payments of ₱6 million are required for the first two years.

Shareholders and Other Entities

The Company entered into a loan agreement with its shareholder and other individuals/entities to augment its fund for working capital purposes. These loans are subject to 12% interest per annum. Outstanding balance amounts to ₱129,725,289, ₱116,541,658 and ₱101,150,000 as at December 31, 2025, 2024, 2023.

Loan Covenants

The loan agreements contain certain covenants, including but not limited to:

- Maintenance of a debt-to-equity ratio of 80:20;
- Restrictions on changes in ownership structure of certain shareholders; and
- Limitations on incurrence of additional long-term debt without prior approval.

As at December 31, 2025 and 2024, the Company is in compliance with all loan covenants.

Movement of loans payable is as follows:

	2025	2024	2023
Beginning balance	**₱ 913,181,037**	₱ 909,365,723	₱ 856,366,114
Proceeds	**13,183,632**	25,372,822	84,850,000
Payments	**(4,998,733)**	(21,557,508)	(74,650,391)
Ending balance	**₱ 921,365,936**	₱ 913,181,037	₱ 909,365,723

Total interest incurred that were charged to profit and loss from these loans for the years ended December 31, 2025, 2024 and 2023 amounted to ₱101,236,324, ₱83,987,936 and ₱65,198,331, respectively.

Maturity Analysis of Loans Payable

The table below summarizes the maturity profile of the Company's loans payable based on contractual undiscounted cash flows:

As of December 31, 2025

Within 1 year	Within 1-2 years	Within 2-5 years	Over 5 years	Total
₱ 145,632,466	₱ 180,000,000	₱ 320,000,000	₱ 275,733,470	₱ 921,365,936

The amounts presented above represent the contractual undiscounted cash flows of the Company's financial liabilities. Interest payments are included based on prevailing contractual rates. The maturity profile is based on the earliest date on which the Company may be required to pay.

NOTE 18 - EQUITY

Share Capital

The Company is authorized to issue 240,000 common shares with a par value of ₱1,000 per share.

As at December 31, 2025, 2024 and 2023, issued and outstanding shares amounted to 228,969 shares, 228,969 shares and 174,934 shares, respectively, equivalent to share capital of ₱226,530,000, ₱226,170,000 and ₱174,076,000.

A reconciliation of outstanding shares is as follows:

	2025	2024	2023
Outstanding, beginning	**228,969**	174,934	174,743
Issuance	**40**	54,399	270
Reacquisition	**(49)**	(364)	(79)
Outstanding, ending	**228,976**	228,969	174,934

The Company has sixty (60) shareholders as of December 31, 2025, owning 100 or more shares each. The Founders have the executive right to vote and be voted for the election of directors for five (5) consecutive years from the date of registration. Thereafter, the holder of founder's shares shall have the same rights and privileges with the holders of common shares.

In 2024, the Company issued 54,000 common shares at ₱1,000 per share, drawn from the unissued portion of the Corporation's 240,000 authorized shares.

The issuance was approved by the Board of Directors and complied with applicable regulatory requirements.

Treasury Shares

In 2019, the Company received an order from SEC directing the Company to return the value of investment upon written request of investors. This order applies to 1,533 shareholders in the initial list submitted to SEC. In line with this order, the Company returned the cost of 26 common shares of two shareholders in 2020 and 63 common shares of six shareholders in 2019 who withdrew their investment and were part of the initial 1,533 shareholders, despite the accumulated deficit and without the requirement of capital appropriation.

The Company reacquired the total of sixty-three (63) common shares from the Company's issued and outstanding common capital stock at a total cost amounting to ₱1,300,000. Of this amount, three shares were repurchased at par, one block was repurchased at ₱300,000, and the remaining five blocks were purchased at ₱200,000 per block.

As at December 31, 2022, the Company reacquired a total of 23 common shares from the Company's issued and outstanding common capital stock at a total cost amounting to ₱403,000.

As at December 31, 2023, the Company's total reacquired common shares is 79 shares from the Company's issued and outstanding common capital stock at a total cost amounting to ₱2,321,000.

As at December 31, 2024, the Company's total reacquired common shares is 364 shares from the Company's issued and outstanding common capital stock at a total cost amounting to ₱2,627,000.

As at December 31, 2025, the Company's total reacquired common shares is 49 shares from the Company's issued and outstanding common capital stock at a total cost amounting to ₱188,000.

These treasury shares are carried at acquisition cost and presented as deducted from equity. Treasury shares amounted to ₱8,454,000, ₱8,266,000 and ₱5,639,000 as of December 31, 2025, 2024 and 2023, respectively.

Subscribed Capital Stock and Subscription Receivable

Subscribed capital stock represents shares subscribed by shareholders but not fully paid as at reporting date.

As at December 31, 2025, 2024 and 2023, subscribed capital stock amounted to ₱2,945,000, ₱3,265,000 and ₱3,725,000, respectively, comprising 295 blocks, 327 blocks and 372.5 blocks.

The unpaid portion of subscriptions is recognized as subscription receivable, which is presented as a deduction from equity. (Note 8)

Accordingly, the Company's share capital represents the portion of subscribed capital stock that is issued and outstanding, net of any unpaid subscriptions.

Share Premium

Share premium represents the excess of proceeds over the par value of shares issued.

Each block of shares was issued at a premium ranging from ₱200,000 to ₱300,000 per block.

As at December 31, 2025, 2024 and 2023, share premium amounted to ₱496,166,706, ₱495,006,706 and ₱491,236,706, respectively.

Transaction costs directly attributable to the issuance of shares are deducted from share premium.

Revaluation Surplus

Revaluation surplus pertains to cumulative fair value gains on land recognized under the revaluation model in accordance with applicable PFRS.

This account pertains to the revaluation gains on Land. (Note 11)

	2025	2024
Balance at beginning of year	**₱ 126,523,098**	₱ 126,523,098
Fair value gains	**-**	-
Tax effect	**-**	-
Other comprehensive income after tax	**-**	-
Balance at end of year	**₱ 126,523,098**	₱ 126,523,098

NOTE 19 - REVENUES - net

Details of the Company's revenues are as follows:

	2025	2024	2023
Hospital fees, net			
Hospital fees	**₱ 249,239,084**	₱ 192,220,597	₱ 190,378,936
Less: Hospital Discounts	**41,706,414**	22,541,960	19,065,149
	207,532,670	169,678,637	171,313,787
Sale of drugs and medicines, net			
Sale of drugs and medicines	**101,315,655**	59,828,181	49,060,276
Less: Sales Discounts	**9,242,028**	4,587,349	3,823,007
	92,073,627	55,240,832	45,237,269
	₱ 299,606,297	₱ 224,919,469	₱ 216,551,056

Revenue is derived from the Company's hospital operations and sale of medicines and medical supplies. Revenue from hospital operations includes income from room accommodations, medical procedures, laboratory and diagnostic services, and other related healthcare services rendered to patients and is recognized as the services are provided. Revenue from the sale of medicines and medical supplies pertains to pharmacy sales and is recognized upon dispensing or delivery of the goods to patients or customers.

The Company grants discounts in accordance with applicable laws and hospital policies, including those granted to senior citizens, persons with disabilities (PWDs), and contractual adjustments with healthcare institutions, which are recognized as deductions from gross revenues. Amounts collected on behalf of third parties, such as professional fees of doctors, are excluded from revenue as the

Company acts only as a collecting agent and these amounts are subsequently remitted to the respective physicians.

NOTE 20 - COST OF SALES AND SERVICES

Details of the Company's cost of sales and services are as follows:

	2025	2024	2023
Supplies	**₱ 74,600,035**	₱ 44,997,084	₱ 60,066,119
Salaries and wages	**53,206,882**	47,928,743	45,903,540
Depreciation (Note 23)	**37,581,107**	38,169,766	38,242,748
Professional fees	**23,152,213**	21,433,370	21,869,993
Utilities	**14,756,479**	13,840,962	20,133,031
SSS/PHIC/HDMF contributions	**6,085,985**	5,941,265	5,143,909
Dietary	**8,202,648**	5,918,308	6,940,063
Housekeeping and room supplies	**3,622,585**	3,782,269	4,669,562
Service fees	**2,500,501**	3,295,546	4,186,051
	₱ 223,708,435	₱ 185,307,313	₱ 207,155,016

NOTE 21 - OPERATING EXPENSES

Details of the Company's operating expenses are as follows:

	2025	2024	2023
Salaries and wages	**₱ 14,673,658**	₱ 17,338,501	₱ 14,597,857
Corporate events expenses	**14,041,748**	14,035,000	12,000,000
Repairs and maintenance	**5,031,141**	2,767,254	2,347,979
Meeting and conferences	**4,463,437**	3,336,937	3,019,559
Depreciation (Note 23)	**3,691,796**	3,431,524	3,280,850
Light, water and communications	**3,474,779**	3,227,922	5,033,258
Security services	**2,511,343**	4,089,025	4,644,565
SSS/PHIC/HDMF contributions	**2,289,040**	1,852,915	1,285,978
Taxes and licenses	**2,231,229**	8,206,852	3,151,686
Professional fee	**1,836,367**	1,463,234	1,862,272
Office supplies	**1,693,730**	937,748	1,703,955
Credit losses	**1,604,708**	-	10,820,388
Insurance	**1,273,550**	1,547,521	1,892,256
Bank service charge	**1,109,669**	898,670	1,382,770
Transportation and travel	**874,625**	654,524	2,976,738
Amortization (Note 12)	**640,174**	634,138	428,869
Training and development	**132,364**	357,045	307,435
Fines and penalties	**-**	21,000	-
Miscellaneous	**2,316,475**	1,858,920	1,625,641
	₱ 63,889,833	₱ 66,658,730	₱ 72,362,056

NOTE 22 - OTHER INCOME

Details of the Company's other income are as follows:

	2025	2024	2023
Income from cafeteria	**₱ 3,983,663**	₱ 3,839,591	₱ 3,408,624
Recovery of credit losses (Note 7)	**-**	12,841,954	-
Interest income (Note 6)	**7,810**	5,173	12,661
Miscellaneous income	**2,134,887**	1,992,411	1,531,139
	₱ 6,126,360	₱ 18,679,129	₱ 4,952,424

NOTE 23 - DEPRECIATION, AMORTIZATION, AND EMPLOYEE BENEFITS

Depreciation, amortization and employee benefits were presented as follows:

2025

	Direct Costs	Operating Expense	Total
Depreciation	₱ 37,581,107	₱ 3,691,796	₱ 41,272,903
Amortization	-	640,174	640,174
Employee benefits*	59,292,867	16,962,698	76,255,565

**Employee benefits includes salaries and wages and SSS, PHIC, HDMF contributions*

2024

	Direct Costs	Operating Expense	Total
Depreciation	₱ 38,169,766	₱ 3,431,524	₱ 41,602,290
Amortization	-	634,138	634,138
Employee benefits*	53,870,008	19,191,416	73,061,424

**Employee benefits includes salaries and wages and SSS, PHIC, HDMF contributions*

2023

	Direct Costs	Operating Expense	Total
Depreciation	₱ 38,242,748	₱ 3,280,850	₱ 41,523,598
Amortization	-	428,869	428,869
Employee benefits*	51,047,449	15,883,835	66,931,284

**Employee benefits includes salaries and wages and SSS, PHIC, HDMF contributions*

NOTE 24 - INCOME TAXES

Income tax benefit for the years ended December 31 is computed as follows:

	2025	2024	2023
Current tax expense:			
MCIT	**₱ 1,640,328**	₱ 1,166,039	₱ 216,185
Deferred tax expense (income) arising from:			
Temporary differences	**16,485,798**	(24,206,680)	(31,029,997)
Income tax benefit	**₱ 18,126,126**	₱ (23,040,641)	₱ (30,813,812)

Reconciliation between statutory tax and effective tax follows:

	2025	2024	2023
Income tax at statutory rate	**₱ (20,775,484)**	₱ (23,088,845)	₱ (30,812,059)
Tax effect of income subject to final tax	**(1,953)**	(1,293)	(3,165)
Tax effect of non-deductible interest expense	**3,671,894**	323	791
Tax effect of non-deductible expense	**3,475,000**	5,250	-
Tax effect of expired NOLCO	**31,756,669**	-	-
Tax effect of expired MCIT	**-**	43,924	621
Income tax expense (benefit)	**₱ 18,126,126**	₱ (23,040,641)	₱ (30,813,812)

A reconciliation of loss before tax reported in the statements of comprehensive income and taxable loss follows:

	2025	2024	2023
Regular Corporate Income Tax			
Loss before tax	₱ **(83,101,935)**	₱ (92,355,381)	₱ (123,248,236)
Permanent differences:			
Interest income	**(7,810)**	(5,173)	(12,661)
Non-deductible interest expense	**14,687,574**	1,293	3,165
Non-deductible expenses	**13,900,000**	21,000	-
Temporary differences:			
Credit losses	**1,604,708**	-	10,820,388
Recovery on credit losses	-	(12,841,954)	-
Reversal of unrealized forex (gain) loss	-	-	76,563
Taxable loss	**(52,917,463)**	(105,180,215)	(112,360,781)
Tax rate	**25%**	25%	25%
	₱ **(13,229,366)**	₱ (26,295,054)	₱ (28,090,195)
Minimum Corporate Income Tax:			
Taxable gross income	₱ **82,016,412**	₱ 58,301,940	₱ 14,412,366
Tax rate	**2%**	2%	1.5%
Current tax expense	₱ **1,640,328**	₱ 1,166,039	₱ 216,185
Tax due (Higher of RCIT or MCIT)	₱ **1,640,328**	₱ 1,166,039	₱ 216,185
Less: Tax credits			
Prior year excess credits	**(4,160,450)**	(2,723,756)	(1,889,165)
Creditable taxes	**(4,003,349)**	(2,602,733)	(1,050,776)
Prepaid income tax (Note 10)	₱ **(6,523,471)**	₱ (4,160,450)	₱ (2,723,756)

The net deferred tax assets pertain to the following as of December 31, 2025, 2024 and 2023 and the related deferred tax expense (income) for the year ended December 31, 2025, 2024 and 2023:

				Statements of Comprehensive Income					
	Statements of Financial Position			Profit or Loss			Other Comprehensive Income		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Deferred tax asset - MCIT	₱ 3,022,552	₱ 1,382,224	₱ 260,109	₱ 1,640,328	₱ 1,122,115	₱ 215,564.00	₱ -	₱ -	₱ -
Deferred tax asset - NOLCO	95,782,708	114,310,011	88,014,957	(18,527,303)	26,295,054	28,090,195	-	-	-
Allowance for credit losses	4,532,573	4,131,396	7,341,885	401,177	(3,210,489)	2,705,097	-	-	-
Unrealized (gain) loss on foreign exchange	-	-	-	-	-	19,141	-	-	-
Revaluation of land	(42,174,366)	(42,174,366)	(42,174,366.00)		-	-	-	-	(42,174,366)
Net deferred tax assets	₱ 61,163,467	₱ 77,649,265	₱ 53,442,585						
Deferred tax income (expense)				₱ (16,485,798)	₱ 24,206,680	₱ 31,029,997	₱ -	₱ -	₱ (42,174,366)

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of Company's NOLCO which can be claimed as deductions against future taxable income for the five (5) consecutive taxable years in reference to RR 25 - 2020 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2021	₱123,367,305	₱ -	₱ -	₱123,367,305	December 31, 2026
2020	32,687,003	-	(32,687,003)	-	December 31, 2025
	₱156,054,308	₱ -	₱(32,687,003)	₱123,367,305	

Details of Company's NOLCO which can be claimed as deductions against future taxable income for the three (3) consecutive taxable years are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2024	₱ 58,537,463	₱ -	₱ -	₱ 58,537,463	December 31, 2028
2024	105,180,215	-	-	105,180,215	December 31, 2027
2023	112,360,781	-	-	112,360,781	December 31, 2026
2022	94,339,672	-	(94,339,672)	-	December 31, 2025
	₱370,418,131	₱ -	₱(94,339,672)	₱276,078,459	

Minimum Corporate Income Tax

Under Philippine tax regulations, the Company is subject to Minimum Corporate Income Tax (MCIT) equivalent to 2% of gross income beginning on the fourth taxable year immediately following the year in which the Company commenced business operations. The MCIT is imposed when it is greater than the regular corporate income tax based on taxable income.

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

Details of MCIT follow:

Date Incurred	Date of Expiration	Amount	Applied	Expired	Balance
31-Dec-2025	2028	₱ 1,640,328	₱ -	₱ -	₱ 1,640,328
31-Dec-2024	2027	1,166,039	-	-	1,166,039
31-Dec-2023	2026	216,185	-	-	216,185
		₱ 3,022,552	₱ -	₱ -	₱ 3,022,552

NOTE 25 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Presented below are the specific relationship, amount of transactions, account balances, terms and conditions and the nature of the consideration to be provided in settlement, and settlement terms.

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱ -	₱ 103,039,669	(1)	(3)
	Payment	1,501,989	-		
	Deposit for future stock subscription	-	1,129,605	(2)	(3)

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Loans	₱ 12,372,822	₱ 104,541,658	(1)	(3)
	Payment	(8,981,164)			
	Deposit for future stock subscription	(38,100,395)	1,129,605	(2)	(3)

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Advances	₱ 58,350,000	₱ 101,150,000	(1)	(3)
	Deposit for future stock subscription	39,230,000	39,230,000	(2)	(3)

Term and conditions
(1) With interest, payable upon maturity
(2) Non interest bearing deposits, may be apply to subscription of stocks
(3) Unsecured

Loans Payable to Shareholders

The Company obtained loans from its shareholders to support its working capital and operational requirements. These loans are unsecured, and are covered by formal loan agreements.

These loans are classified as non-current liabilities, as the Company has an unconditional right to defer settlement beyond twelve (12) months from the reporting date, consistent with the provisions of the loan agreements.

Interest expense recognized during the year amounted to ₱14,685,621 (2025) and ₱13,729,723 (2024).

Deposits for future stock subscription.

The Company received deposits from shareholders in 2023 amounting to ₱39,230,000. The Company applied ₱38,100,395 of these deposits to shareholders subscription in 2024.

These deposits are presented as current liabilities as at reporting date since the requirements for recognition as equity have not yet been fully satisfied such as The issuance of shares and the completion of subscription documentation and regulatory requirements is still pending. Shareholders may withdraw the deposits upon demand.

Key Management Personnel Compensations

No compensation were paid to key management in 2025, 2024 and 2023.

NOTE 26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from its operating activities. The most important components of this financial risk are credit risk, liquidity risk and market risks. The Company's risk management is coordinated with the Board of Directors, and focuses on

actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's business activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company maintains cash to meet its liquidity requirements for up to 30-day periods and the Company maintains adequate highly liquid assets in the form of cash and receivables to assure necessary liquidity, if any. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any.

The table below summarizes the maturity profile of the Company's financial liabilities as at December 31, 2025, 2024 and 2023 based on contractual undiscounted payment.

	December 31, 2025		
	Within 1 year	**Above 1 Year**	**Total**
Trade and other payables	**₱ 227,497,994**	**₱ -**	**₱ 227,497,994**
Loans payable	**220,839,396**	**1,172,814,591**	**1,393,653,987**
Retention payable	**16,178,250**	**-**	**16,178,250**
	₱ 464,515,640	**₱ 1,172,814,591**	**₱ 1,637,330,231**

	December 31, 2024		
	Within 1 year	Above 1 Year	Total
Trade and other payables	₱ 186,321,295	₱ -	₱ 186,321,295
Loans payable	135,525,390	1,257,904,637	1,393,450,027
Retention payable	16,815,238	-	16,815,238
	₱ 338,661,923	₱ 1,257,904,637	₱ 1,596,566,560

	December 31, 2023		
	Within 1 year	Above 1 Year	Total
Trade and other payables	₱ 120,812,150	₱ -	₱ 120,812,150
Loans payable	379,938,488	571,926,754	951,865,424
Retention payable	17,015,237	-	17,015,237
	₱ 517,765,875	₱ 571,926,754	₱ 1,089,682,629

Market Risks

Interest Rate Risk

Interest rate risks arises from the possibility that the changes in interest rates will affect the fair value of financial instruments. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The Company's financial instrument that are exposed to cash flow interest rate risk pertains to its bank loans amounting to ₱921,365,936, ₱913,181,037 and ₱909,365,723 as of December 31, 2025, 2024 and 2023, respectively, which are subject to interest rate repricing. (Note 17)

The effect on income before income tax due to possible changes in interest rates is as follows:

Increase/Decrease in Interest Rate	Effect on Income Before Income Tax		
	2025	2024	2023
+1%	₱ (9,213,659)	₱ (9,131,810)	₱ (9,093,657)
-1%	9,213,659	9,131,810	9,093,657

There is no other impact on the Company's equity other than those affecting profit and loss.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework of the Company. The risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities of the Company.

Foreign Currency Risk

The Company's exposure to the risk for changes in foreign exchange is not significant. It relates only to the Company's dollar bank deposit amounting to ₱nil as of December 31, 2025, 2024 and 2023.

Credit Risk

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

The Company's credit risk is primarily attributable to its cash, receivables and loans receivable. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk.

The Company continuously monitors defaults of officers and affiliates, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on receivables is minimal since no default in payments were made by the counterparties.

The tables below show the credit quality per class of financial asset and an aging analysis of past due but not impaired accounts as at December 31, 2025, 2024 and 2023.

Credit Quality per Class of Financial Asset

	December 31, 2025					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	**₱ 39,752,331**	**₱ -**	**₱ -**	**₱ -**	**₱ -**	**₱ 39,752,331**
Trade and other receivables	**-**	**15,563,599**	**-**	**35,484,755**		**51,048,354**
	₱ 39,752,331	**₱ 15,563,599**	**₱ -**	**₱ 35,484,755**	**₱ -**	**₱ 90,800,685**

	December 31, 2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	**₱ 24,011,432**	**₱ -**	**₱ -**	**₱ -**	**₱ -**	**₱ 24,011,432**
Trade and other receivables	**812,734**	**12,583,655**		**33,930,955**		**47,327,344**
	₱ 24,824,166	**₱ 12,583,655**	**₱ -**	**₱ 33,930,955**	**₱ -**	**₱ 71,338,776**

	December 31, 2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 8,766,606	₱ -	₱ -	₱ -	₱ -	₱ 8,766,606
Trade and other receivables	50,337	13,345,697		35,451,360		48,847,394
	₱ 8,816,943	₱ 13,345,697	₱ -	₱ 35,451,360	₱ -	₱ 57,614,000

Details of past due accounts but not impaired is as follows:

	December 31, 2025				
	Past due account but not impaired				
	1-30 days past due	31-60 days past due	61-90 days past due	91 and over days past due	Total
Trade receivables	**₱ 7,802,084**	**₱ 11,278,902**	**₱ 4,182,044**	**₱ 12,221,725**	**₱ 35,484,755**

	December 31, 2024				
	Past due account but not impaired				
	1-30 days past due	31-60 days past due	61-90 days past due	91 and over days past due	Total
Trade receivables	₱ 9,333,606	₱ 2,828,844	₱ 2,709,975	₱ 19,058,530	₱ 33,930,955

	December 31, 2023				
	Past due account but not impaired				
	1-30 days past due	31-60 days past due	61-90 days past due	91 and over days past due	Total
Trade receivables	₱ 3,722,693	₱ 1,435,695	₱ 4,141,026	₱ 26,151,946	₱ 35,451,360

The credit quality of the financial assets is managed by the Company using the internal credit quality ratings. High grade accounts consist of receivables from debtors with good financial condition and with relatively low defaults.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	2025	2024	2023
Cash in banks	**₱ 39,752,331**	₱ 24,011,432	₱ 8,766,606
Trade and other receivables	**32,918,060**	30,801,758	19,479,854
	₱ 72,670,391	₱ 54,813,190	₱ 28,246,460

Cash excludes cash on hand amounting to ₱1,047,637, ₱3,911,026 and ₱3,817,444 in December 31, 2025, 2024 and 2023, respectively.

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

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱1,000,000 for every depositor per banking institution.

(b) Trade and other receivables

Trade receivables

The Company applies the PFRS 9 forward-looking approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other assets.

The Company has established a provision matrix in computing the expected rate loss which are based on its historical loss experience, adjusted for current and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.
On that basis, the loss allowance as at December 31, 2025 and 2024 was determined based on months past due, as follows for trade receivables:

	December 31, 2025						
	Current	1-30 days	31-60 days	61-90 days	91 days and over	91 days and over	Total
Expected loss rate	2%	5%	7%	10%	15%	100%	
Trade receivables	₱ 7,802,084	₱ 11,278,902	₱ 4,182,044	₱ 1,440,129	₱ 504,401	₱ 10,277,195	₱ 35,484,755
Loss allowance	**156,042**	**563,945**	**292,743**	**144,013**	**75,660**	**10,277,195**	**₱ 11,509,598**

	December 31, 2024						
	Current	1-30 days	31-60 days	61-90 days	91 days and over	91 days and over	Total
Expected loss rate	2%	5%	7%	10%	15%	100%	
Trade receivables	₱ 12,583,655	₱ 9,333,606	₱ 2,828,844	₱ 2,709,975	₱ 376,841	₱ 15,281,690	₱ 43,114,610
Loss allowance	**251,673**	**466,680**	**198,019**	**270,997**	**56,526**	**11,881,690**	**₱ 13,125,586**

A reconciliation of the closing loss allowance for trade receivables as at December 31, 2025, 2024 and 2023 are presented below:

	2025	2024	2023
Balance at January 1	**₱ 13,125,586**	₱ 25,967,540	₱ 16,247,152
Credit losses (Note 7)	**-**	-	9,720,388
Recovery of allowance	**(1,615,988)**	(12,841,954)	-
Balance, December 31	**₱ 11,509,598**	₱ 13,125,586	₱ 25,967,540

Other receivables

The loss allowance is determined using the general approach. The allowances were adjusted to reflect the current and forward-looking factors affecting the ability of the counterparty to settles in receivables.

The movement in the allowance for credit losses as of December 31, 2025, 2024 and 2023 follows:

	2025	2024	2023
Balance at January 1	**₱ 3,400,000**	₱ 3,400,000	₱ 2,300,000
Credit losses (Note 7)	**3,220,696**	-	1,100,000
Recovery of allowance	**-**	-	-
Balance, December 31	**₱ 6,620,696**	₱ 3,400,000	₱ 3,400,000

NOTE 27 - CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base to support its business operations, continue as a going concern, and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business requirements. To maintain or adjust its capital structure, the Company may issue new shares, obtain additional borrowings, or restructure existing debt.

For proposes of capital management, the company considers equity and interest bearing loans as capital.

This ratio is calculated as total liabilities divided by total equity.

	2025	2024	2023
Liabilities	**₱ 1,168,426,325**	₱ 1,120,521,790	₱ 1,088,215,589
Equity	**307,541,655**	407,757,716	424,295,456
Debt-to-Equity Ratio	**3.80:1**	2.75:1	2.56:1

The Company manages its capital structure to ensure compliance with externally imposed capital requirements and loan covenants, including maintaining a specified debt-to-equity ratio.

As disclosed in Note 17, the Company is required to maintain a debt-to-equity ratio of 80:20. As at December 31, 2025 and 2024, the Company is compliant with these requirements.

NOTE 28 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities recognized as at December 31, 2025, 2024 and 2023:

	Note	December 31, 2025 Carrying Amount	Fair Value: Quoted prices in active markets (Level 1)	Fair Value: Significant observable inputs (Level 2)	Fair Value: Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Land	**11**	**₱ 277,318,000**	**₱ -**	**₱ -**	**277,318,000**
Assets for which fair values are disclosed:					
Cash in banks	**6**	**39,752,331**	**-**	**39,752,331**	**₱ -**
Trade and other receivables	**7**	**32,918,060**	**-**	**32,918,060**	**-**
		₱ 349,988,391	**₱ -**	**₱ 72,670,391**	**277,318,000**
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	**13**	**₱ 227,497,994**	**₱ -**	**₱ 227,497,994**	**₱ -**
Loans payable	**17**	**921,365,936**	**-**	**921,365,936**	
Retention payable	**14**	**16,178,250**	**-**	**16,178,250**	**-**
		₱ 1,165,042,180	**₱ -**	**₱ 1,165,042,180**	**₱ -**

	Note	December 31, 2024 Carrying Amount	Fair Value: Quoted prices in active markets (Level 1)	Fair Value: Significant observable inputs (Level 2)	Fair Value: Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Land	11	277,318,000			277,318,000
Assets for which fair values are disclosed:					
Cash in banks	6	₱ 24,011,432	₱ -	₱ 24,011,432	₱ -
Trade and other receivables	7	30,801,758	-	30,801,758	-
		₱ 332,131,19	₱ -	₱ 54,813,190	₱ 277,318,000
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	13	₱ 186,321,295	₱ -	₱ 186,321,295	₱ -
Loans payable	17	913,181,037	-	913,181,037	-
Retention payable	14	16,815,238	-	16,815,238	-
		₱ 1,116,317,570	₱ -	₱ 1,116,317,570	₱ -

	Note	December 31, 2023 Carrying Amount	Fair Value: Quoted prices in active markets (Level 1)	Fair Value: Significant observable inputs (Level 2)	Fair Value: Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Land	11	₱ 120,812,150			₱ 277,318,000
Assets for which fair values are disclosed:					
Cash in banks	6	₱ 8,766,606	₱ -	₱ 8,766,606	₱ -
Trade and other receivables	7	19,479,854	-	19,479,854	
		₱ 1,047,193,11	₱ -	₱ 28,246,460	₱ 277,318,000
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	13	₱ 120,812,150	₱ -	₱ 120,812,150	₱ -
Loans payable	17	909,365,723	-	909,365,723	-

	Note	December 31, 2023			
			Fair Value		
		Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Retention payable	14	17,015,238	-	17,015,238	-
		₱1,047,193,111	₱ -	₱1,047,193,111	₱ -

NOTE 29 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Present below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

Loans Payable

	2025	2024	2023
Balance, January	₱ **913,181,037**	₱ 909,365,723	₱ 899,166,114
Cash flow from Financing Activities:			
Additional Borrowing	**13,183,632**	25,372,822	84,850,000
Repayment of Borrowing	**(4,998,733)**	(21,557,508)	(74,650,391)
Balance, December 31	₱ **921,365,936**	₱ 913,181,037	₱ 909,365,723

NOTE 30 - CONTINGENCIES

The following are the active litigation, threatened litigation, claims or assessment and investigation pending of the Company as of reporting period.

The status of these cases and claims are as follows:

Civil Case No. CEB-18-00601-CV (Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.)

Complaint filed by shareholder against the corporation and its board of directors/officers to declare the sale in installments as subscription contract, direct the defendant corporation to issue his certificate of stock; and to declare that he is entitled to the pre-emptive right to subscribe for additional one (1) block of shares on the account of the increase of capital stock with damages. Plaintiff has submitted his motion to submit case for decision based on legal issues, which was submitted to the Court on October 24, 2022. We filed our comment on November 7, 2022. We received an order dated 30 June 2023 where the Court has granted the motion to submit case for decision based on legal issues dated 18 October 2022. The Presiding Judge has granted both parties to file their respective memorandum, which shall be limited to the issue of the extent of plaintiff's preemptive right to purchase/subscribe to shares of stock in view of the defendant Corporation's increase in its capital stock, within 30 days from receipt of said order. The Corporation's Counsel filed a Motion for Reconsideration to set aside and deny Plaintiff's motion to submit case for decision based on the sole issue of whether the plaintiff is entitled to the preemptive right to subscribe to one block of share equivalent to 10 shares or only for 3 shares for utter lack of merit. The Plaintiff's Counsel opposed the Motion for Reconsideration filed by our Counsel. Awaiting decision of the Court on both Motion's.

Civil Case No. R-CEB-18-01248-CV (Dax Mathew M. Quijano, Rose Marie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.)

Complaint filed by shareholders against the corporation and its board of directors/officers to declare the sale in installments as subscription contract, direct the defendant corporation to issue his

certificate of stock; and to declare that they are entitled to the pre-emptive right to subscribe for additional one (1) block of shares on the account of the increase of capital stock. Petitioners have submitted their motion to submit case for decision based on legal issues, which was submitted on November 7, 2022. Case has been submitted for resolution. Last February 3, 2023, the scheduled hearing pushed through, and Counsel appeared for and on behalf of ACEMCCEBU, despite the pending motion. On February 15, 2023, the Court denied the request of the Petitioners' motion to submit the case for decision based on the remaining sole legal issue. As stated in the Order, the presentation of evidence for the petitioners will push through as scheduled on 03 March 2023 at 10:45 in the morning. The hearing was cancelled upon receipt of a Constancia dated 27 February 2023 and reset to 28 April 2023 at 10:45 in the morning. During the 28 April 2023 hearing, the Court still needs to resolve the pending Motion for Reconsideration filed by the Petitioners. Without prejudice to the resolution of the pending incident, the next hearing is set at on 30 June 2023 at 10:45am for presentation of Petitioners' evidence. Considering petitioners' motion for reconsideration has yet to be resolved, the 30 June 2023 hearing was reset to 28 July 2023 at 10:45 am. Due to the pending motion for reconsideration, the 28 July 2023 hearing was reset to 25 August 2023 at 10:45am. The 25 August 2023 was rescheduled to 29 September 2023 at 10:45am. The 29 September 2023 hearing was reset to 14 December 2023 at 10:45am. The 14 December 2023 hearing was reset to 15 March 2024 at 8:30am. The 15 March 2024 was moved to 19 April 2024 at 8:30AM since the witness of the petitioner's did not show up.

On October 17, 2024, Baduel Espina & Associates confirmed their appearance during the October 16, 2024 hearing. The court needed more time to resolve the plaintiff's Motion for Partial Summary Judgment, and the pre-trial conference was rescheduled to February 05, 2025.

During the February 5, 2025 hearing, the Court explored the possibility of settlement; however, no agreement was reached as the plaintiffs declined to settle. The case was then set for pre-trial on March 21, 2025, without prejudice to the resolution of the pending Motion for Partial Summary Judgment. At the March 21, 2025 hearing, the Court informed the parties that the resolution of the motion remained pending and rescheduled the pre-trial to May 23, 2025. During the May 23, 2025 pre-trial hearing, the Court again noted that the resolution had not yet been finalized and reset the pre-trial to July 25, 2025.

The July 25, 2025 hearing was subsequently cancelled, and the next hearing was set for November 24, 2025, which was later reset to June 21, 2026. As of the reporting date, the case remains pending and unresolved, and the Company continues to monitor developments in coordination with its legal counsel.

Special Civil Action Case No. R-CEB-18-08795-SC (Leo T. Sumatra, et al., vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.)

This is a special civil action for mandamus filed by shareholders against the corporation and its board of directors/officers for the issuance of a writ of mandamus to direct respondents to grant them pre-emptive right to subscribe to the entire increase of capital stock, in proportion to their shareholdings of one (1) block of shares equivalent to ten (10) shares of common stock. The 13 April 2023 pre-trial of the case was cancelled and moved to 02 June 2023 at 10:45am. The 02 June 2023 pre-trial was cancelled and moved to 11 August 2023 at 10:45am. The 11 August 2023 pre-trial was cancelled and moved to 20 October 2023 at 10:00 in the morning. During the 20 October 2023, the plaintiffs' counsel asked the Court to render a partial judgment recognizing the sale in installment as a subscription contract. The Corporations' counsel objected and requested that their request for partial judgment be put into writing so that we can make an informed comment on the matter. Plaintiffs were given 15 days to file and the same number of days was granted to us to comment on their filing. The next pre-trial is scheduled on 22 December 2023 at 10:00 in the morning. The 22 December 2023 hearing was reset to 15 March 2024 at 10:30 am. The 15 March 2024 hearing was moved to 22 April 2024 at 9:15 am since the Court needs time to evaluate the motion for partial summary judgment.

On September 26, 2024, Court hearing where the cross-examination of Mr. Peter Sylianco was continued. The petitioners were granted five days to file their Reply to the opposing party's Motion for Production, Inspection, and Photocopying of Documents, with the opportunity for the opposing side to file a rejoinder within the same period. Reimbursement requests for transcript costs were also submitted. The next scheduled, October 24, 2024, hearing for the continuation of petitioners' evidence presentation, with unspecified subsequent procedural activities. November 28, 2024, attendance confirmed for a hearing focusing on the continuation of the presentation of evidence. Petitioners intended to present Atty. Jarred Cabilte. December 12, 2024, the parties confirmed their appearance to continue cross-examination of Leo Sumatra and other petitioners' evidence. Additional scheduled dates include March 28, April 25, and May 23, 2025, among others, for various stages of evidence presentation and testimony.

Proceedings during the period consisted primarily of the continuation of the presentation of petitioners' evidence, including the testimonies of various witnesses. Certain scheduled hearings were reset due to the unavailability of witnesses, health-related reasons, and technical issues in the conduct of video conference hearings. During the course of the proceedings, petitioners waived the presentation or cross-examination of certain witnesses, while the Company filed motions to strike out specific testimonies from the record, some of which were granted by the Court. As of the reporting date, the presentation of petitioners' evidence remains ongoing, with trial dates set on April 21, 2026, May 26, 2026, June 8, 2026, and July 21, 2026.

As of the reporting date, the case remains pending and unresolved, and the Company continues to monitor developments in coordination with its legal counsel.

Criminal Case No. R-CRB-23-01112-CR-RTC (People of the Philippines vs. John Ivan Tecson)

On February 2, 2023, the Company filed a criminal case for qualified theft against Mr. John Ivan Tecson from misappropriation of the Company's funds. A pre-trial conference was held last July 21,2023. The pre-trial conference scheduled on August 22, 2023 was rescheduled on September 8, 2023 and was rescheduled again on September 20, 2023. The September 20, 2023 pre-trial conference was cancelled due to BAR exams and was rescheduled on November 8, 2023. Since both parties did not come into an agreement, another conference was scheduled on November 10, 2023. During the November 10, 2023 conference, plaintiff was informed of the conditions of the Compromise Agreement, he was given an option to sign the agreement otherwise, they will go to trial. Due to several cancelled hearings, the pre-trial conference was terminated. Presentation of evidence will start on June 24, 2024.

Another hearing was held on November 25, 2024, during which the complainant again failed to make the scheduled payment of PHP 50,000. The next payment was originally due on December 23, 2024, but due to the early holiday break of court staff, the hearing was rescheduled. The new court date is set for January 20, 2025, during which the complainant is expected to settle the overdue balance.

On October 1, 2025, the scheduled hearing for the cross-examination of a prosecution witness was cancelled due to an earthquake that disrupted court operations, and no further proceedings were conducted on said date. Subsequent coordination with the court indicated that the accused failed to appear at a scheduled court appearance on April 15, 2026.

As of the reporting date, the resetting of the hearing remains pending determination by the court. The Company is awaiting notice of the next hearing schedule and will coordinate with its witness for the continuation of proceedings. The case remains pending, and the Company continues to monitor developments in coordination with its legal counsel.

NOTE 31 - BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed as follows:

	2025	2024	2023
Income (loss) attributable to ordinary shares	₱ **(91,543,061)**	₱ (69,314,740)	₱ (92,434,424)
Divided by: Weighted average number of ordinary shares outstanding	**226,530**	226,170	174,076
Basic earnings (loss) per share	₱ **(404.11)**	₱ (306.00)	₱ (531.00)

NOTE 32 - RESTATEMENTS

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation.

As a result, certain line items have been amended in the statement of comprehensive income, and the related notes to the financial statements.

Management believes that the following reclassifications would reflect the true nature of the transactions and did not have any impact on prior year's financial statements.

a. The Company reclassified dietary income presented as income from cafeteria under other income in the statements of comprehensive income to hospital fees under revenue. These amounted to ₱5,777,550 and ₱5,377,500 in 2024 and 2023, respectively.

b. The Company reclassified the presentation of Subscription Receivable amounting to ₱26,020,267 and ₱30,259,156 in 2024 and 2023, respectively from separate line item under current assets to separate lien item under equity or as contra equity account.

Below is the summary of the changes arising from this restatement:

	2024 (Previously reported)	2024 (After restatement)	Increase (Decrease)
Statements of Financial Position			
Current Assets			
Subscription Receivable	₱ 26,020,267	₱ -	₱ (26,020,267)
Total current assets	182,492,146	156,471,879	(26,020,267)
Total Assets	1,528,279,506	1,502,259,239	(26,020,267)
Equity			
Subscription Receivable	-	26,020,267	26,020,267
Equity, net	407,757,716	381,737,449	(26,020,267)
Total Liabilities and Equity	1,528,279,506	1,502,259,239	(26,020,267)
Statements of Comprehensive Income (Loss)			
Other income	₱ 24,456,679	₱ 18,679,129	₱ (5,777,550)
Revenue, net	219,141,919	224,919,469	5,777,550
Gross profit	33,834,606	39,612,356	5,777,750
Loss before tax	(92,355,381)	(92,355,381)	-
Income tax benefit	(23,040,641)	(23,040,641)	-
Net income (loss) for the year	(69,314,740)	(69,314,740)	-

	2024 (Previously reported)	2024 (After restatement)	Increase (Decrease)
Continuation			
Statements of Changes in Equity			
Subscription Receivable	₱ -	₱ 26,020,267	₱ 26,020,267
Equity, net	407,757,716	381,737,449	(26,020,267)
Notes to Financial Statements			
Note 19 - Revenue, net			
Hospital fees, net			
Hospital fees	₱ 186,443,047	₱ 192,220,597	₱ 5,777,550
Less: Hospital Discounts	22,541,960	22,541,960	-
	163,901,087	169,678,637	5,777,550
Sale of drugs and medicines, net			
Sale of drugs and medicines	59,828,181	59,828,181	-
Less: Sales Discounts	4,587,349	4,587,349	-
	55,240,832	55,240,832	-
	219,141,919	224,919,469	5,777,550
Note 22 - Other income			
Recovery of credit losses	12,841,954	12,841,954	-
Income from cafeteria	9,617,141	3,839,591	(5,777,550)
Interest income (Note 6)	5,173	5,173	-
Miscellaneous income	1,992,411	1,992,411	-
	24,456,679	18,679,129	(5,777,550)
Financial Soundness Indicators			
Current Ratio			
Total current assets	₱ 182,492,146	₱ 156,471,879	₱ (26,020,267)
Total current liabilities	328,881,144	328,881,144	-
	0.555:1	0.476:1	-0.079:1
Quick Ratio			
Total liquid asset	84,744,483	58,724,216	(26,020,267)
Total current liabilities	328,881,144	328,881,144	-
	0.258:1	0.179:1	-0.026:1
Working Capital to Total Asset			
Working capital	(146,388,998)	(172,409,265)	(26,020,267)
Total assets	1,528,279,506	1,502,259,239	(26,020,267)
	-0.096:1	-0.115:1	-0.019:1
Debt-to-equity Ratio			
Total liabilities	1,120,521,790	1,120,521,790	-
Total equity	407,757,716	381,737,449	(26,020,267)
	2.748:1	2.935:1	0.187:1
Asset-to-equity Ratio			
Total assets	1,528,279,506	1,502,259,239	(26,020,267)
Total equity	407,757,716	381,737,449	(26,020,267)
	3.748:1	3.935:1	0.187:1
Profitability Ratios			
Net profit (loss) after tax	(69,314,740)	(69,314,740)	-
Total equity	407,757,716	381,737,449	(26,020,267)
	-0.17:1	-0.182:1	-0.013:1
a.) Return on asset ratio			
Net income (loss) after tax	(69,314,740)	(69,314,740)	-
Average assets	1,520,395,276	1,492,255,564	(28,139,712)
	-0.046:1	-0.046:1	0.000:1
b.) Return on equity ratio			
Net income (loss) after tax	(69,314,740)	(69,314,740)	-
Average equity	416,026,586	387,886,875	(28,139,712)
	-0.167:1	-0.179:1	0.043:1
c.) Gross Profit Margin Ratio			
Net profit (loss) before tax	(92,355,381)	(92,355,381)	-
Gross profit (loss)	33,834,606	39,612,356	5,777,750
	-2.73:1	-2.331:1	-0.399:1
d.) Net Profit Margin			
Net profit (loss) after tax	(69,314,740)	(69,314,740)	-
Revenue	219,141,919	224,919,469	5,777,550
	-0.316:1	-0.308:1	-0.008:1

	2023 (Previously reported)	2023 (After restatement)	Increase (Decrease)
Statements of Financial Position			
Current Assets			
Subscription Receivable	₱ 30,259,156	₱ -	₱ (30,259,156)
Total current assets	154,902,097	124,642,941	(30,259,156)
Total Assets	1,512,511,045	1,482,251,889	(30,259,156)
Equity			
Subscription Receivable	-	30,259,156	30,259,156
Equity, net	424,295,456	394,036,300	(30,259,156)
Total Liabilities and Equity	1,512,511,045	1,482,251,889	(30,259,156)
Statements of Comprehensive Income (Loss)			
Other income	₱ 10,329,924	₱ 4,952,424	₱ (5,377,500)
Revenue, net	211,173,556	216,551,056	5,377,500
Gross profit	4,018,540	9,396,040	5,377,500
Loss before tax	(123,248,236)	(123,248,236)	-
Income tax benefit	(30,813,812)	(30,813,812)	-
Net income (loss) for the year	(92,434,424)	(92,434,424)	-
Statements of Changes in Equity			
Subscription Receivable	₱ -	₱ 30,259,156	₱ 30,259,156
Equity, net	424,295,456	394,036,300	(30,259,156)
Notes to Financial Statements			
Note 19 - Revenue, net			
Hospital fees, net			
Hospital fees	₱ 185,001,436	₱ 190,378,936	₱ 5,377,500
Less: Hospital Discounts	19,065,149	19,065,149	-
	165,936,287	171,313,787	5,377,500
Sale of drugs and medicines, net			
Sale of drugs and medicines	49,060,276	49,060,276	-
Less: Sales Discounts	3,823,007	3,823,007	-
	45,237,269	45,237,269	-
	211,173,556	216,551,056	5,377,500
Note 22 - Other income			
Income from cafeteria	8,786,124	3,408,624	(5,377,500)
Interest income (Note 6)	12,661	12,661	-
Miscellaneous income	1,531,139	1,531,139	-
	10,329,924	4,952,424	(5,377,500)
Financial Soundness Indicators			
Current Ratio			
Total current assets	₱ 154,902,097	₱ 124,642,941	₱ (30,259,156)
Total current liabilities	579,896,113	579,896,113	-
	0.267:1	0.215:1	-0.052:1
Quick Ratio			
Total liquid asset	62,323,060	32,063,904	(30,259,156)
Total current liabilities	579,896,113	579,896,113	-
	0.107:1	0.055:1	-0.026:1
Working Capital to Total Asset			
Working capital	(424,994,016)	(455,253,172)	(30,259,156)
Total assets	1,512,511,045	1,482,251,889	(30,259,156)
	-0.281:1	-0.307:1	-0.026:1
Debt-to-equity Ratio			
Total liabilities	1,088,215,589	1,088,215,589	-
Total equity	424,295,456	394,036,300	(30,259,156)
	2.565:1	2.762:1	0.197:1
Asset-to-equity Ratio			
Total assets	1,512,511,045	1,482,251,889	(30,259,156)
Total equity	424,295,456	394,036,300	(30,259,156)
	3.565:1	3.762:1	0.197:1

	2023 (Previously reported)	2023 (After restatement)	Increase (Decrease)
Continuation			
Profitability Ratios			
Net profit (loss) after tax	(92,434,424)	(92,434,424)	-
Total equity	424,295,456	394,036,300	(30,259,156)
	-0.218:1	-0.235:1	-0.017:1
a.) Return on asset ratio			
Net income (loss) after tax	(92,434,424)	(92,434,424)	-
Average assets	1,460,444,065	1,424,853,409	(35,590,657)
	-0.063:1	-0.065:1	-0.002:1
b.) Return on equity ratio			
Net income (loss) after tax	(69,314,740)	(69,314,740)	-
Average equity	404,461,619	368,653,034	(35,808,585)
	-0.171:1	-0.188:1	0.041:1
c.) Gross Profit Margin Ratio			
Net profit (loss) before tax	(123,248,236)	(123,248,236)	-
Gross profit (loss)	4,018,540	9,396,040	5,377,500
	-30.67:1	-13.117:1	-17.553:1
d.) Net Profit Margin			
Net profit (loss) after tax	(92,434,424)	(92,434,424)	-
Revenue	211,173,556	216,551,056	5,377,500
	-0.438:1	-0.427:1	-0.011:1

NOTE 33 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements.

This supplementary information is presented for purposes of compliance with BIR requirements and is not a required disclosure under the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The details of taxes, duties, and license fees paid or accrued during the taxable year, as required under the aforementioned Revenue Regulations, are presented below and in the succeeding pages.

(a) Output VAT

	Tax Base	Amount
Vatable sales	₱ 7,798,388	₱ 935,807
Exempt sales	319,414,246	-
	₱ 327,212,634	₱ 935,807

The Company's exempt sales were determined pursuant to Section 109 of the 1997 National Internal Revenue Code.

(a) Input VAT

	Amount
Balance at beginning of year	₱ 29,228,439
Goods other than capitals goods	6,405,772
Input tax allocable to exempt sales	(6,253,549)
Applied against output VAT	(935,807)
	₱ 28,444,855

(b) Taxes and Licenses for 2025

Taxes and licenses for 2025 consist of:

		Amount
Business permits and licenses	₱	1,418,967
Real Property tax		707,324
Miscellaneous taxes		100,758
Documentary stamp tax		4,180
	₱	2,231,229

The amounts of taxes and licenses shown above are included under the operating expenses in the statements of comprehensive income (loss).

(c) Withholding Taxes for 2025

Withholding taxes paid and accrued during the year is as follows:

		Amount
Compensation and employee benefits	₱	165,266
Expanded		7,510,848
	₱	7,676,114

(d) Tax Assessments and Cases

As of reporting date, the Company has no pending tax cases under preliminary investigation, litigation and/or prosecution in court or bodies within or outside BIR.

(e) Related Party Transaction

The Company is covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.
982 N. Bacalso Avenue, Basak Pardo, Cebu City

Unappropriated Retained Earnings, beginning of reporting period			**(₱434,941,088)**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**		
	• Reversal of Retained Earnings Appropriation/s	-	
	• Effect of restatements or prior-period adjustments	-	
	• Others	-	-
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**		
	• Dividends declaration during the reporting period	-	
	• Retained Earnings appropriated during the reporting period	-	
	• Effect of restatements or prior-period adjustments	-	
	• Others	-	-
Unappropriated Retained Earnings, as asjusted			**(434,941,088)**
Add/Less: Net Income (Loss) for the current year			**(101,228,061)**
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**		
	• Equity in net income of associate/joint venture, net of dividends declared	-	
	• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	• Unrealized fair value gain of Investment Property	-	
	• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
	• Sub-total		-
Add:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
	• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	• Realized fair value gain of Investment Property	-	
	• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
	• Sub-total		-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – CEBU, INC.
982 N. Bacalso Avenue, Basak Pardo, Cebu City

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Reversal of previously recorded fair value gain of Investment Property	-	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		-
Adjusted Net Income (Loss)		**(101,228,061)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
• Depreciation on revaluation increment (after tax)	-	
• Sub-total		-
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP		
• Amortization of the effect of reporting relief	-	
• Total amount of reporting relief granted during the year	-	
• Others	-	
• Sub-total		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
• Adjustment due to deviation from PFRS/GAAP - gain (loss)		
• Others	-	
• Sub-total		-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		**₱ - nil -**

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - CEBU INC.
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025, 2024 and 2023

Current Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Total current assets	**₱ 183,550,488**	₱ 156,471,879	₱ 124,642,941
Total current liabilities	**384,412,855**	328,881,144	579,896,113
Current ratio	**0.477:1**	0.476:1	0.215:1

Quick Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Total liquid asset	**₱ 97,603,295**	₱ 76,361,560	₱ 47,792,615
Total current liabilities	**384,412,855**	328,881,144	579,896,113
Quick ratio	**0.254:1**	0.232:1	0.082:1

Working Capital to Total Asset

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Working capital	**₱ (200,862,367)**	₱ (172,409,265)	₱ (455,253,172)
Total assets	**1,477,372,980**	1,502,259,239	1,482,251,889
Working capital ratio	-0.136:1	-0.115:1	-0.307:1

Solvency Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net income (loss) after tax + Depreciation/Amortizaion	**₱ (49,629,984)**	₱ (27,079,312)	₱ (50,481,957)
Total liabilities	**1,160,146,325**	1,120,521,790	1,088,215,589
Solvency ratio	**-0.043:1**	-0.024:1	-0.046:1

Debt-to-equity Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Total liabilities	**₱ 1,160,146,325**	₱ 1,120,521,790	₱ 1,088,215,589
Total equity	**317,226,655**	381,737,449	394,036,300
Debt-to-equity ratio	**2.565:1**	2.935:1	2.762:1

Asset-to-equity Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Total assets	**1,477,372,980**	₱ 1,502,259,239	₱ 1,482,251,889
Total equity	**317,226,655**	381,737,449	394,036,300
Asset to equity ratio	**4.657:1**	3.935:1	3.762:1

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - CEBU INC.
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025, 2024 and 2023

Interest Rate Coverage Ratio

	2025	2024	2023
Pre-tax profit (loss) before interest	**26,414,389**	₱ (8,367,445)	₱ (58,049,905)
Interest expense	**101,236,324**	83,987,936	65,198,331
Interest rate ratio	**0.26:1**	-0.1:1	-0.89:1

Profitability Ratios

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net profit (loss) after tax	**(91,543,061)**	₱ (69,314,740)	₱ (92,434,424)
Total equity	**317,226,655**	381,737,449	394,036,300
	-0.289:1	-0.182:1	-0.235:1

a.) Return on asset ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net income (loss) after tax	**(91,543,061)**	₱ (69,314,740)	₱ (92,434,424)
Average assets	**1,505,309,004**	1,492,255,564	1,424,853,409
	-0.061:1	-0.046:1	-0.065:1

b.) Return on equity ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net profit (loss) after tax	**(91,543,061)**	₱ (69,314,740)	₱ (92,434,424)
Average equity	**349,482,052**	387,886,875	368,653,034
	-0.253:1	-0.179:1	-0.229:1

c.) Gross Profit Margin Ratio

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net profit (loss) before tax	**(74,821,935)**	₱ (92,355,381)	₱ (123,248,236)
Gross profit	**84,177,862**	39,612,356	9,396,040
	-0.89:1	-2.331:1	-13.117:1

d.) Net Profit Margin

	2025	2024 (As Restated, Note 32)	2023 (As Restated, Note 32)
Net profit (loss) after tax	**(74,821,935)**	₱ (69,314,740)	₱ (92,434,424)
Revenue	**299,606,297**	224,919,669	216,551,056
	-0.250:1	-0.308:1	-0.427:1

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-CEBU, INC.
SUPPLEMENTARY SCHEDULES AS PER PART II SRC RULE 68

Schedule A. Financial Assets

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Income received and accrued
Cash in banks			
Banco de Oro	P 8,277,585	P 8,277,585	P 227
Bank of the Philippine Islands	1,004,198	1,004,198	96
Security Bank	10,232,266	10,232,266	1,637
Land Bank of the Philippines	15,708,256	15,708,256	5,664
Philippine National Bank	4,435,698	4,435,698	186
Development Bank of the Philippines	94,328	94,328	-
	P 39,752,331	**P 39,752,331**	**P 7,810**

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end Of Period
Consultants and employees	P812,734	P	812,734	-	-	-	P-

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
NA	NA	NA	NA	NA	NA	NA	NA

Schedule D. Intangible Assets-Other Assets

Description (i)	Beginning of period balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Current	Ending balance
Hospital Information System	P1,637,908	243,292	(P640,174)	-	-	P1,241,026

Schedule E. Long Term Debt

Title of Issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-term Debt" in related balance sheet (iii)
Bank Loans	P921,365,936	145,632,466	P775,733,470

Schedule F. Indebtedness to Related Parties (Current)

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
	P116,541,658	P129,725,290

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)
NA	NA	NA	NA	NA

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-CEBU, INC.
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Schedule H. Capital Stock

Title of issue (i)	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and Employees	Others (iii)
Founders'	600	600	-	-	600	
Common	239,400	228,369	-	-	85,698	
Preferred	-	-	-	-		
Total	240,000	228,969	-	-	86,298	