COVER SHEET

C	S	2	0	1	6	1	2	0	5	5

S.E.C. Registration Number

ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER-GENSAN

(Company's Full Name)

2ND FLOOR GENMEDEX, SANTIAGO
BLVD. GEN. SANTOS CITY

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

FREDILYN G. SAMORO

Contact Person

0915-081-9353

Company Telephone Number

Month Day

Fiscal Year

17-A

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

Top be accomplished by SEC Personnel concerned

-

LCU

CASHIER

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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, 2024

2. SEC Identification Number … CS201612055 3. BIR Tax Identification No. 009317037

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

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

6. ____ (SEC Use Only)
   Industry Classification Code:

7. 2nd Floor, Genmedex, Santiago Boulevard, General Santos City 9500
   Address of principal office Postal Code

8. (083) 305-2490
   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
Founder	600
Common	179,400
Preferred	60,000
Total Debt	312,469,999

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 [x]   No [ ]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Allied Care Experts (ACE) Medical Center-Gensan Inc. [the "Company"] was incorporated under Philippine laws on June 10, 2016, under SEC Registration No. CS20161205.

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 other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedical 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 patients

The SEC approved the registration statement of the Company for 228,000 shares under SEC-MSRD Order No 29, issued on June 28, 2019.

The Company's hospital facility is located at Barangay Lagao, General Santos City, The Company will cater to patients in its location and the nearby barangays and towns of the city, and nearby provinces.

The Company belongs to an 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 in General Santos City wherein the following hospitals are operating:

HOSPITAL	LOCATION	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
SOCSARGEN County Hospital	Bula, Lagao Road, cor. Arradaza St,General Santos City	240	Private	Level 2
Gensan Medical Center	National Highway, Purok Veterans, Calumpang, General Santos City	112	Private	Level 2
General Santos Doctors Hospital Inc.	National Highway, Bgy Heights, Genera Santos City	280	Private	Level 2
Dr. Jorge P Royeca Hospital	Emergency Road, Lagao General Santos City	200	Government	Level 1
St Elizabeth Hospital	National Highway, cor. Santiago Boulevard, Genera Santos City	276	Private	Level 2
Mindanao Medical Center	Mabuhay Road, General Santos City	100	Private	Level 2
Diagan Hospital	Quezon Avenue, General Santos City	50	Private	Level 1

Augis Clinic and Hospital	Corner Daproza, Quezon Avenue	30	Private	Level 1
Sarangani Bay Medical Specialist Hospital	National Highway, Apopong, General Santos City	100	Private	Level 2
Labella Hospital	1st Road Calumpang, General Santos City	30	Private	Level 1

The Company's strategic location, proximity to patients and reasonableness of the offer price and quality of the facilities enable the Company to effectively compete with its competitors within the area. Patients will find a better ambience with the Company's facility due to its carefully panned designed and constructed hospital building. Its advantage is not simply its newly built structure but it also boasts of new facilities and equipment. It will be a one-stop-shop hospital equipped with the latest technology, complete laboratory and imaging facilities.

The registered office of the Company is at Barangay Lagao, General Santos City.

The Company has not yet started commercial operation and is in the structural stage of constructing a multidisciplinary specialty medical facility (hospital) which started in 2019 and is expected to be completed by 2026 barring unforeseen events. As of December 31, 2024, completion is at 50.65%

The Company is not expected to be dependent upon one or a limited number of suppliers for its hospital equipment and essential raw materials.

The Company, in the normal course of business, has entered into transactions with related parties principally consisting of:

Advances from Shareholders

In 2020, the company called on its founders to be ready to help construction of the hospital in case the need arises given the current situation. It has been a rough time for the company, the pandemic is taking its toll, so any help from the founders would surely go a long way.

To heed this call, some of the founders voluntarily parked some excess resources with the company ready for use in case, these are non-interest bearing funds.

These funds, however, were not used in 2020 so the company decided to liquidate the said amount and return them to the founders. As of first quarter of 2021, these advances from shareholder had been fully paid. In 2022, the company needed funds to settle immediate expenditure that is why, some of the founders and shareholders extended help and advanced some funds in favor of the company. As at December 31, 2024, shareholders' advances recorded amount to P35,825,000.00.

Required permits were secured by the Company from the Department of Health (DOH) and the local government unit, for its operations.

The Company has also secured the required permits and clearances from the Department of Environment and Natural Resources (DENR) to be able to operate its hospital facility. Implementation of the environmental laws cost ACE-Gensan around P50,000, particularly, for securing its ECC permit.

Total Number of Employees: (As of December 31, 2024)

	CBA	Non-CBA	Total
Rank and File	-	7	7
Supervisors	-	2	2
Managers and Top Management	-		
Total	-	**9**	**9**

It is expected that the hiring of personnel will increase as soon as the hospital commences its operation.

The major risks involved in the Company's business as well as the measures being undertaken by the Company to manage such risks are as follows:

1. Financial Risk - The Company has secured a loan from the bank to enable the company to pursue its business.
2. Environmental Risk (Natural Disasters) - The Company ensures that the facility is structurally sound and compliant with the National Building Code to enable it to withstand natural calamities like storms and earthquakes.
3. Economic (Pandemic) - The Company conducts marketing teleconference every weekend in order to buffer the impact of the movement restrictions due to the current health crisis.

Item 2. Properties

The Company owns the following properties:

1. Land - covered by Transfer Certificate of Title No. 147-2017003722 and Tax Declaration Number F-305426, registered under the name of Allied Care Experts (ACE) Medical Center-Gensan Inc. It has a total area of 10,663 sqm and is located in Lagao, General Santos City. This is the property where the Company's multi-disciplinary special medical facility (hospital) is being constructed.

   This property including its present and future improvements thereon is the subject of a P500 Million real estate mortgage in favor of Land Bank to finance the construction of the aforementioned hospital and P150M for hospital equipment. Total loans availed, as of December 31, 2024, is in the amount of 214,292,000.

   The management has reviewed the carrying values of the property and equipment and as at December 31, 2024 and 2023 for any impairment. Based on the results of the evaluation, there are no indications that these are impaired.

Item 3. Legal Proceedings

The Company is not involved in any legal proceeding.

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 organic employees who act as salesmen. 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:

Market Price	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	2023	2024	2023	2024	2023	2024	2023	2024
High	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00
Low	250,000.00	250,000.00	200,000.00	250,000.00	200,000.00	250,000.00	250,000.00	250,000.00

The price as of March 31, 2025 (latest practicable trading date) is P250,000.00.

(2) Holders

There are approximately 1,802 holders of common shares of the Company as of 31 December 2024.

Top 20 Stockholders (As of 31 December 2024)

	STOCKHOLDERS	NATIONALITY	NUMBER OF SHARES		PERCENT OF OWNERSHIP
1	Biron, Ferjenel G.*	Filipino	Common Founders	19,710 90	14.60%
2	Enriquez, Amado Manuel Jr. C.	Filipino	Common Founders	10,950 50	7.30%
3	Torre, Natividad M.	Filipino	Common Founders	8,760 40	5.84%
4	Samoro, Fredilyn G.	Filipino	Common Founders	4,380 20	2.92%
5	Montecillo, Jasmin L	Filipino	Common Founders	2,190 10	1.46%
6	Carlos, Fernando P.	Filipino	Common Founders	2,190 10	1.46%
7	Cerna-Lopez, Geanie A.	Filipino	Common Founders	2,190 10	1.46%
8	Alcover, Jean D.	Filipino	Common Founders	2,190 10	1.46%
9	Lorenzo, Francisco N.	Filipino	Common Founders	2,190 10	1.46%
10	Pacis, Ma. Editha Lou C.	Filipino	Common Founders	2,190 10	1.46%

11	Samoy, Marietta T.	Filipino	Common Founders	2,190 10	1.46%
12	Frial, Jocelyn S.	Filipino	Common Founders	2,190 10	1.46%
13	Lavilla, Francis G.	Filipino	Common Founders	2,190 10	1.46%
14	Corpuz, Darwin P.	Filipino	Common Founders	2,190 10	1.46%
15	Alolod, Noel R.	Filipino	Common Founders	2,190 10	1.46%
16	Enriquez, Michael Edward R.	Filipino	Common Founders	2,190 10	1.46%
17	Enriquez, Miguel Antonio R.	Filipino	Common Founders	2,190 10	1.46%
18	Enriquez, Marilyn R.	Filipino	Common Founders	2,190 10	1.46%
19	Orillaza, Generoso M.	Filipino	Common Founders	2,190 10	1.46%
20	Villaflor, Agnes Jean M.	Filipino	Common Founders	2,190 10	1.46%

NOTE: The rest of the stockholders hold equal number of shares
*With pending assignment of 10 shares founder shares, 1000 preferred shares and 2,190 common shares from Dr. Danilo C. Regozo.

(3) Dividends

Dividend Information on the Two Most Recent Fiscal Years

No dividends were declared by the Company since its incorporation in 2016 considering that the Company has not yet commenced its business operations.

Under the Company's Loan Agreement with the Land Bank of the Philippines, payment of dividends or capital distribution may be allowed provided that the debt service cover of at least 1.0 shall be maintained.

There is no recent sale of unregistered or exempt securities.

PART III. FINANCIAL INFORMATION

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

MANAGEMENT'S DISCUSSIONS and ANALYSIS

The following table shows the financial highlights of the Company for the years then ended **December 31, 2024, 2023, and 2022:**

STATEMENT OF COMPREHENSIVE INCOME OR LOSS	For the Period Ending December 31		
	2024	2023	2022
Revenue	0	0	0
Direct Costs	0	0	0
Gross Profits	0	0	0
Other Income	1,182	3,869	4,010
Gross Income	1,182	3,869	4,010
Gen. and Administrative Costs	17,400,842	21,017,792	15,782,835
Income (Loss) from Operations	(17,399,660)	(21,013,923)	(15,778,825)
Finance Cost	0	0	0
Net Income (Loss) Before Income Tax	(17,399,660)	(21,013,923)	(15,778,825)
Provision for Income Tax	0	0	0
Net Income (Loss) for the Year	(17,399,660)	(21,013,923)	(15,778,825)
Other Income (Loss)	0	0	0
Total Comprehensive Income (Loss)	**(17,399,660)**	**(21,013,923)**	**(15,778,825)**

The hospital is still under construction. To date, no operational revenues have been recorded, however, administrative and general costs still continue. These primarily caused the recorded losses and deficits.

Administrative and General Expenses for the 3-Year period are as follows:

GENERAL AND ADMINISTRATIVE EXPENSES	For the Period Ending December 31		
	2024	2023	2022
Salaries and Wages	9,686,355	9,328,503	9,352,577
Honorarium	4,921,000	8,147,500	3,885,000
Seminar/Training	0	65,163	0
Utility Expenses - Employer's Share	172,768	207,658	110,465
Travels & Transpo Expenses	431,017	726,209	583,305
Meals & Meeting Expenses	37,844	123,514	31,283
Professional Fees	729,614	997,025	817,710
Ads and Mktg Expenses	156,120	328,707	192,266
Security Services	130,194	0	0
Taxes & Licenses	91,006	105,546	139,368
Power, Light, Water, and Telecom	179,587	146,857	16,508
Stationeries and Office Supplies	154,473	125,291	144,094
Repairs/Maintenance	149,376	83,257	9,500
Rent Expenses	281,623	283,853	180,000
Depreciation	137,891	133,141	96,723
Miscellaneous	141,974	215,568	224,036
	17,400,842	**21,017,792**	**15,782,835**

The total expenses for the year 2024 was at least 17% less than what was in 2023. The biggest reason for the deviation was the decrease in the honorarium. Given that there was a slowdown in the construction of the hospital due to some technical reasons, expenses in relation to meetings were also limited.

STATEMENT OF FINANCIAL POSITION	As at December 31		
	2024	2023	2022
ASSETS			
Current Assets			
Cash	1,200,394	4,140,404	2,062,256
Advances and Other Receivables	1,029,505	7,645,373	104,538
Rental Deposits	14,000	29,500	48,000
	2,243,899	11,815,277	2,214,794
Non-Current Assets			
Construction-In-Progress	622,735,278	578,962,052	531,051,726
Property and Equipment (net)	90,889,787	90,892,178	90,970,831
Advances to Suppliers & Contractors	26,099,000	26,099,000	24,369,000
	739,724,065	695,953,230	646,391,557
TOTAL ASSETS	**741,967,964**	**707,768,507**	**648,606,351**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable and Other Liabilities	62,352,999	48,541,648	35,151,573
	62,352,999	**48,541,648**	**35,151,573**
Non-Current Liabilities			
Notes Payable	214,292,000	214,292,000	214,292,000
Advances from Shareholders	35,825,000	27,750,000	35,455,567
	250,117,000	242,042,000	249,747,567
TOTAL LIABILITIES	**312,469,999**	**290,583,648**	**284,899,140**
Equity			
Share Capital	164,960,000	157,470,000	153,520,000
Share Premium (net)	309,237,483	287,014,717	226,034,717
Revaluation Increment on Land	51,301,213	51,301,213	51,301,213
Deficit	(96,000,731)	(78,601,071)	(67,148,719)
TOTAL EQUITY	**429,497,965**	**417,184,859**	**363,707,211**
TOTAL LIABILITIES AND EQUITY	**741,967,964**	**707,768,507**	**648,606,351**

2024 compared to 2023

Structural adjustments and revisions to existing plans are on the way. That is the reason why there was a slowdown in the construction of the hospital. Precautionary measures are taken and public safety is always considered. Despite ethe slow movements, the company was able to sell additional shares of stocks that basically caused to improve the figures on capital shares and premiums.

Once these structural concerns are ironed out, the construction is expected to take off anew and start a rejuvenated spirit to push thru with the project.

2023 compared to 2022

The investing public really needs to be encouraged more. The construction was still on going, although it slowed down a bit. During the year, General Santos City was hit by a Magnitude 6.7 earthquake.

There was no major damage in the construction but as a precautionary action, the management decided to do some revisions in the structural plans of the building. This is only for the intention of making sure about the safety of the people who will be working there and the patients who will be using the facility.

Sale of securities still continue. No new releases were received from Land Bank during the year.

2022 compared to 2021

Year 2022 is almost a normal year. Transport limitations have been lifted and businesses started to reopen its doors to public freely. Hospital construction has moved forward, and does other transactions. Sale of securities had been a little challenging during the year, especially that the priorities of the people have shifted from Health to personal and familial security due to pandemic. People tend to ensure that they have enough at any given time. They do not want to reexperience the lows of pandemic again. They want to hold on to their cash.

But we do not stop there, we still sell the securities and continue with the original plan, build the hospital. During the year, LBP was able to lend financial support with the release of the 8th, 9th, and 10th tranche of the loan which totaled to P37.1M. Construction in progress now stands at P531M.

KEY PERFORMANCE INDICATORS

	2024	2023	2022
LIQUIDITY RATIOS			
QUICK ASSET RATIO	0.04 : 1	0.24 : 1	0.06 : 1
CURRENT RATIO	0.04 : 1	0.24 : 1	0.06 : 1
SOLVENCY RATIO			
DEBT TO EQUITY RATIO	0.58 : 1	0.58 : 1	0.69 : 1

QUICK ASSET RATIO

Cash + Cash Equivalents + Current Accounts Receivables / Current Liabilities

The hospital being under construction is not liquid in terms of financial capabilities. Almost all of the funds generated are applied to the administrative requirements and construction of the hospital.

CURRENT RATIO

Current Assets / Current Liabilities

Funds generated are applied to the construction of the hospital, thus, the low balances of the current asset accounts.

DEBT TO EQUITY RATIO

Long Term Debt / Equity

To date, the long term debts of the company is basically 60% of the total equity. This means that the company is extensively using its credits to finance its projects rather than using its own resources.

PROFITABILITY RATIOS

NET PROFIT MARGIN RATIO

Net Income / Sales

No information yet for this indicator

RETURN ON EQUITY

Net Income / Stockholder's Equity

LEVERAGE

DEBT TO TOTAL ASSET RATIO 0.42 : 1 0.41 : 1 0.43 : 1

Total Debts / Total Assets

The total debt of the company is basically 42% of the total assets of the company. The assets can still cover the obligations of the company. However, these are mostly fixed assets and not easily convertible to cash.

ASSET TO EQUITY RATIO 1.73 : 1 1.70 : 1 1.78 : 1

Total Assets / Equity

The total equity of the company is more or less 58% of the total resources of the company. The numbers are quite ok given the current status of the company, however, it will be better if the shares are quickly sold and forms part of the company's equity.

INTEREST RATE COVERAGE RATIO

INTEREST RATE COVERAGE RATIO

Earnings Before Interests & Taxes / Interest Expense

No information yet for this indicator

STATEMENT OF COMPREHENSIVE INCOME OR LOSS	December 31		Horizontal Analysis		HVertical Analysis	
	2024	2023	Difference	%-age	2024	2023
Revenue	0	0				
Direct Costs	0	0	0	0	NA	NA
Gross Profits	0	0	0	0	NA	NA
Other Income	1,182	3,869	(2,687)	-69.45%	NA	NA
Gross Income	1,182	3,869	(2,687)	-69.45%	NA	NA
Gen. and Administrative Costs	17,400,842	21,017,792	(3,616,950)	-17.21%	NA	NA
Income (Loss) from Operations	(17,399,660)	(21,013,923)	3,614,263	-17.20%	NA	NA
Finance Cost	0	0	0	0	NA	NA
Net Income (Loss) Before Income Tax	(17,399,660)	(21,013,923)	3,614,263	-17.20%	NA	NA
Provision for Income Tax	0	0	0	0	NA	NA
Net Income (Loss) for the Year	(17,399,660)	(21,013,923)	3,614,263	-17.20%	NA	NA

Other Income (Loss)	0	0	0	0	NA	NA
Total Comprehensive Income (Loss)	**(17,399,660)**	**(21,013,923)**	**3,614,263**	**-17.20%**	**NA**	**NA**

Other Income
Bank Interests comprise the amount reported as other income.

General and Administrative Expenses
The hospital is not yet operational, thus, no operational expenses yet. The expenses as of now are basically general and administrative in nature. Comparing both years' expenses, it may be noted that for 2024 there was a decrease in the total expenses amounting to P3.62M. This is mostly due to the decrease in honorarium as well as transportation and professional fees. During the year there were limited number of meetings due to the slowdown in the construction of the hospital due to some technical and safety concerns.

See attached summary of general and administrative expenses.

GENRAL AND ADMINISTRATIVE EXPENSES	December 31		Horizontal Analysis		Vertical Analysis	
	2024	2023	Difference	%-age	2024	2023
Salaries and Wages	9,686,355	9,328,503	357,852	3.84%	55.67%	44.38%
Honorarium	4,921,000	8,147,500	-3,226,500	-34.59%	28.28%	38.76%
Seminar/Training	0	65,163	-65,163	-0.70%	0.00%	0.31%
Utility Expenses - Employer's Share	172,768	207,658	-34,890	-0.37%	0.99%	0.99%
Travels & Transpo Expenses	431,017	726,209	-295,192	-3.16%	2.48%	3.46%
Meals & Meeting Expenses	37,844	123,514	-85,670	-0.92%	0.22%	0.59%
Professional Fees	729,614	997,025	-267,411	-2.87%	4.19%	4.74%
Ads and Mktg Expenses	156,120	328,707	-172,587	-1.85%	0.90%	1.56%
Security Services	130,194	0	130,194	1.40%	0.75%	0.00%
Taxes & Licenses	91,006	105,546	-14,540	-0.16%	0.52%	0.50%
Power, Light, Water, and Telecom	179,587	146,857	32,730	0.35%	1.03%	0.70%
Stationeries and Office Supplies	154,473	125,291	29,182	0.31%	0.89%	0.60%
Repairs/Maintenance	149,376	83,257	66,119	0.71%	0.86%	0.40%
Rent Expenses	281,623	283,853	-2,230	-0.02%	1.62%	1.35%
Depreciation	137,891	133,141	4,750	0.05%	0.79%	0.63%
Miscellaneous	141,974	215,568	-73,594	-0.79%	0.82%	1.03%
	17,400,842	**21,017,792**	**-3,616,950**	**-38.77%**	**100.00%**	**100.00%**

Total Comprehensive Income or Loss
The hospital is still under construction. Thus, no revenues are generated and recorded, however, there are still general and administrative expenses that would eventually contribute to the recorded losses and deficits.

STATEMENT OF FINANCIAL POSITION	As at December 31		Horizontal Analysis		HVertical Analysis	
	2024	2023	Difference	%-age	2024	2023
ASSETS						
Current Assets						
Cash	1,200,394	4,140,404	(2,940,010)	-71.01%	0.16%	0.58%
Advances and Other Receivables	1,029,505	7,645,373	(6,615,868)	-86.53%	0.14%	1.08%

Rental Deposits	14,000	29,500	(15,500)	-52.54%	0.00%	0.00%
	2,243,899	11,815,277	(9,571,378)	-81.01%	0.30%	1.67%
Non-Current Assets						
Construction-In-Progress	622,735,278	578,962,052	43,773,226	7.56%	83.93%	81.80%
Property and Equipment (net)	90,889,787	90,892,178	(2,391)	0.00%	12.25%	12.84%
Advances to Suppliers & Contractors	26,099,000	26,099,000	0	0.00%	3.52%	3.69%
	739,724,065	695,953,230	43,770,835	6.29%	99.70%	98.33%
TOTAL ASSETS	**741,967,964**	**707,768,507**	34,199,457	4.83%	**100.00%**	**100.00%**
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts Payable and Other Liabilities	62,352,999	48,541,648	13,811,351	28.45%	8.40%	6.86%
	62,352,999	**48,541,648**	13,811,351	28.45%	8.40%	6.86%
Non-Current Liabilities						
Notes Payable	214,292,000	214,292,000	0	0.00%	28.88%	30.28%
Advances from Shareholders	35,825,000	27,750,000	8,075,000	29.10%	4.83%	3.92%
	250,117,000	242,042,000	8,075,000	3.34%	33.71%	34.20%
TOTAL LIABILITIES	**312,469,999**	**290,583,648**	21,886,351	7.53%	42.11%	41.06%
Equity						
Share Capital	164,960,000	157,470,000	7,490,000	4.76%	22.23%	22.25%
Share Premium (net)	309,237,483	287,014,717	22,222,766	7.74%	41.68%	40.55%
Revaluation Increment on Land	51,301,213	51,301,213	0	0.00%	6.91%	7.25%
Deficit	(96,000,731)	(78,601,071)	(17,399,660)	22.14%	-12.94%	-11.11%
TOTAL EQUITY	**429,497,965**	**417,184,859**	12,313,106	2.95%	57.89%	58.94%
TOTAI LIABILITIES AND EQUITY	**741,967,964**	**707,768,507**	34,199,457	4.83%	**100.00%**	**100.00%**

ASSETS

The total assets of the company grew 4.83% from December 2023 to December 2024. Primarily, the biggest contributor for this deviation is the increase in Construction in Progress (CIP).

Current Assets

The current assets decreased by 81% as at end of 2024. The cash balance decreased by 71% from last year. The same as the accounts receivable that decreased also by P6.6M or 87%. The rental deposit reflected the P14,000 deposit on the company's rented staff house.

Non-Current Assets

Construction-In-Progress (CIP) increased P43.8M from last year's balance. The Property & Equipment account has no much movement during the year as well as the advances to suppliers and contractors.

LIABILITIES

Total liabilities increased by 7.5% primarily coming from the increase in Advances from Shareholders (P8.0M) and accrued interests and expenses that increased by P17.3M from previous year's balance.

EQUITY

Total Equity increased by 2.95% from previous year's balance. There was an increase of P7.5M in the Share Capital balance and another P22.2M from the Share Premiums. However, the total deficit also increased by P17.4M during the year.

Trends, Events, or Uncertainties that are reasonably expected to affect operations

As of December 31, 2024

- The company has not been involved in any legal proceedings, tax and/or regulatory assessments.
- There has been no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There are no seasonal aspects that had a material impact on the results of operations of the company.
- There are no events nor any default acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the company.
- The company intends to commence its operations in 2026 barring unforeseen events when the hospital facility will be completed.

The company has no investments on foreign securities.

B. Information on External Auditors

The Company's external auditor is the auditing firm of Dimaculangan, Dimaculangan and Co. CPA's. For the year 2025, the board will appoint the external auditor based on the recommendations of the Audit Committee composed of Dr. Darwin Corpuz[Chairperson/Independent Director], Dr. Jean Alcover Banal [Independent Director] and Dr. Geanie Cena-Lopez, 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. DIMACULANGAN, DIMACULANGAN AND CO. CPA'S, represented by its engagement partner, Ms. Maria Teresita Zuniga-Dimaculangan, is the external auditor of the Company for the most recently completed year 2024. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged Ms. Dimaculangan for more than five years.
c. Representatives of DIMACULANGAN, DIMACULANGAN AND CO. CPA'S 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 2024- P226,648.09 (billed and taken up 2024)
   For the year 2023- P176,758.40 (billed and taken up 2023)
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 P226,648.09; and (b) no other fees, which covers out of pocket expenses i.e. air and land transportation, accommodation, reproduction of reports and other miscellaneous expenses were accrued by the Company as of December 31, 2024.

The Audit Committee reviews the scope of audit work to be conducted by the independent auditor and evaluates their (independent auditor) qualifications based on applicable laws, rules and regulations.

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. The following are the current members of the Board of Directors:

1. Amado Manuel C. Enriquez, Jr.
2. Fredilyn G. Samoro
3. Francisco N. Lorenzo
4. Natividad M. Torre
5. Jasmin L. Montecillo
6. Ma. Editha Lou C. Pacis
7. Marietta T. Samoy
8. Ferjenel G. Biron
9. Geanie Cerna-Lopez
10. Generoso M. Orillaza
11. Fernando P. Carlos
12. Francis G. Lavilla
13. Stephen D. Salvilla (Independent Director)
14. Jean D. Alcover-Banal (Independent Director)
15. Darwin P. Corpuz (Independent Director)

1. AMADO MANUEL C. ENRIQUEZ, JR. – 72 years old, Filipino

- Board of Director 2001-present, Founded 2001, Chairman of the Board 2007-2008, 2017-2018;Treasurer 2015-2016; 2016-2023- Manila East Medical Center,Taytay,Rizal(Tertiary-100 bed capacity)
- Member, Board of Directors 2003-2022, Founded 2003; Chairman 2012-2022- Paranaque Doctors Hospital,Better Living Subdivision,(Tertiary-100 bed capacity)
- Chairman of the Board- 2014-2024; Unihealth-Paranaque Hospital and Medical Center,Sucat
- Founding President, Chairman of the Board and CEO; Alaminos Medical Center Foundation, Inc. 2001
- Founding Chairman of the Board,2010- present; ACE Medical Center Valenzuela, Valenzuela City
- Founding Chairman of the Board; ACE Medical Center Baliwag
- Founding Chairman of the Board; ACE Medical Center Pateros, Pateros, Metro Manila
- Founding Chairman of the Board; ACE Medical Center Quezon City
- Founding Chairman of the Board; ACE Medical Center Malolos
- Founding Chairman of the Board; ACE Medical Center Mandaluyong
- Founding Chairman of the Board; ACE Medical Center Legazpi
- Founding Chairman of the Board; ACE Medical Center Palawan
- Founding Chairman of the Board; ACE Medical Center Cebu
- Founding Chairman of the Board; ACE Medical Center Tacloban
- Founding Chairman of the Board; ACE Medical Center Bohol
- Founding Chairman of the Board; ACE Medical Center Dumaguete
- Founding Chairman of the Board; ACE Medical Center Bayawan
- Founding Chairman of the Board; ACE Medical Center Dipolog
- Founding Chairman of the Board; ACE Medical Center CDO
- Founding Chairman of the Board; ACE Medical Center General Santos
- Founding Chairman of the Board; ACE Medical Center Butuan

- Founding Chairman of the Board; ACE Medical Center Sariaya
- Founding Chairman of the Board; ACE Medical Center Sta. Maria
- Founding Chairman of the Board; Mt. Samat Medical Center
- Founding Chairman of the Board; San Jose del Monte Muzon Medical Center
- Founding Chairman of the Board; ACE Medical Center Pangasinan
- Founding Chairman of the Board; ACE Medical Center Hundred Islands
- Founding Chairman of the Board; ACE Medical Center San Miguel, Bulacan
- Founding Chairman of the Board; ACE Medical Center San Fernando, La Union
- Founding Chairman of the Board; ACE Medical Center Tuguegarao
- Founding Chairman of the Board; Tagum Global Medical Center
- Founding Chairman of the Board; St. Lawrence of Balagtas Medical Center
- Founding Chairman of the Board; St. Joseph of Benguet Medical Center
- Founding Chairman of the Board; St. James Medical Center, Santiago City

2. FREDILYN G. SAMORO – 60 years old, Filipino

- Founding Member/Board Of Director-Healthlink Iloilo Inc
- Founding Member/Board Of Director- Iloilo Integrated School
- Founding Member/Board Of Director- Md Check-Iloilo Inc
- Founding Member- APMC-Aklan
- President – Acemc –Butuan Inc
- President – Acemc –Gensan Inc
- Board Of Director – Acemc –Iloilo Inc
- President – Phil Obstetrical & Gynecological Society-Panay Chapter-2015
- Professorial Lecturer – West Visayas State University College Of Medicine

3. FRANCISCO N. LORENZO – 68 years old, Filipino

- President, General Santos Medical Society
- President, The Rotary Club Of Metro Dadiangas
- Assistant Governor, Rotary District 3860
- Multiple Paul Harris Fellow, Rotary International
- Chairman, Committee On Ethics, St. Elizabeth Hospital
- Training Officer, Dept. Of Surgery, St. Elizabeth Hospital
- Board of Director, ACE Medical Center-Gensan Inc., 2016 to April 6, 2019
- Board of Director, ACE Medical Center-Gensan Inc., August 26, 2019 to Present
- Independent Director, ACE Medical Center-Gensan Inc., April 7, 2019 to August 25, 2020
- Vice Chairman, ACE Medical Center-Gensan Inc., 2016 to April 6, 2019
- Vice Chairman, ACE Medical Center-Gensan Inc., August 26, 2020 to Present
- Construction Committee Member, ACE Medical Center-Gensan Inc., April 6, 2019 to Present

4. NATIVIDAD M. TORRE – 61 years old, Filipino

- Board Member, Philippine Medical Womens Association (National), 2023 to Present
- Vice President, ACE Medical Center Gensan Inc., 2016 to Present
- Board of Director, ACE Medical Center Gensan Inc., 2016 to Present
- Construction Committee Member, ACE Medical Center-Gensan Inc., April 6, 2019 to Present
- Past President, Philippine Medical Womens Association General Santos City Chapter
- President, General Santos City Medical Society, 2006-2007
- Past President, Socsargen Internist Society
- Administrator, TUFAMATO Dialysis and Wellness Center, General Santos City, 2019 to 2022

- President, TUFAMATO Dialysis and Wellness Center, General Santos City, 2022 to Present
- Member, Philippine Medical Women's Association Chapter, 2001 to Present
- Founding BOD, Zonta Club of General Santos City Inc, 2022to Present

5. JASMIN L. MONTECILLO – 53 years old, Filipino

- Member, Philippine Medical Association
- Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
- Corporate Treasurer, ACE Medical Center-Gensan Inc. December 21, 2023 to Present

6. MARIETTA T. SAMOY – 68 years old, Filipino

- President, ACE Medical Center Mandaluyong
- President, ACE Bayawan Hospital
- Management Consultant, Unihealth Paranaque Hospital And Med Center
- Finance Head, ACE Medical Center Muntinlupa
- HMO Head, Las Pinas City Medical Center

7. FERJENEL G. BIRON – 60 years old, Filipino

- Representative of the Fourth District of Iloilo, House of Representatives, July 1, 2022 – PRESENT
- Member of the Commission on Appointments, August 8, 2022 – March 19, 2024
- Representative of the Fourth District of Iloilo, House of Representatives, July 1, 2016 - June 30, 2019
- Representative of the Fourth District of Iloilo, House of Representatives, July 1, 2010 - June 30, 2013
- Member of the Commission on Appointments, August 25, 2010 – August 24, 2011
- Representative of the Fourth District of Iloilo, House of Representatives, July 1, 2007 - June 30, 2010
- Representative of the Fourth District of Iloilo, House of Representatives, July 1, 2004 - June 30, 2007
- Founding President and CEO, Phil Pharmawealth, Inc. (1993-2004, 2013-2016, 2019 – 2021)
- CEO, Endure Medical Inc. (2013-2016, 2019-2021)
- President, Aesthetica Manila, Inc. (2016 – Present)
- Director, Allied Care Experts (ACE) Medical Center-Butuan, Inc. (2016 – present)
- Chairman, Botikang Pinoy, Inc. (2017 – Present)
- Director, Excel Global (2017-present)
- Chairman, Super BP Mart (2017-present)
- President, Allied Care Experts Medical Center Butuan Development Corp., (2017- present)
- Director, Allied Care Experts (ACE) Medical Center- CDO, Inc. (2016-present)
- Director, Allied Care Experts (ACE) Medical Center- GENSAN, Inc., (2016- present)
- President, Smartlab Diagnostics and Dialysis Center, Inc. (2018- present)
- President, Singapore Genebio, Inc. (2018-present)
- President and Single Stock Holder, EMI Properties, OPC (2020 - present)
- Chairman, Asia-Pacific Medical Center (APMC) – Iloilo (formerly Allied Care Experts Medical Center-Iloilo, Inc.) (2020 - present)
- Chairman, Asia-Pacific Medical Center – Aklan, Inc. (2020 – present)
- Chairman, Asia-Pacific Medical Center - Bacolod, Inc., (2020- present)
- President, Oncolife Corporation (2020-present)
- Chairman and President, Park3 Realty & Development Corporation, (2021- present)
- Chairman, Newlife Regenerative & Wellness Center Inc. (2023 – present)
- Chairman, OBBO Holdings Inc. (2023-present)
- Chairman, Endure Medical Laboratories, Inc. (2024-present)

8. GEANIE CERNA-LOPEZ – 72 years old, Filipino

- Hospital Administrator, Unihealth Paranaque Hospital, 2015
- Hospital Administrator, Paranaque Doctors Hospital, 2016
- Past President, Medical Center Muntinlupa, 2016, 2019
- President, Paranaque Doctors Hospital, 2017
- President, Las Pinas City Medical Center, 2018
- Chief of Clinics, Medical Center Muntinlupa
- President, Medical Center Muntinlupa - 2019
- Chairwoman, Medical Center Muntinlupa – 2021-2022
- Medical Director, Unihealth Paranaque Hospital, 2017 up to 2019
- President, ACE Medical Center-Cebu, 2021
- Assistant Corporate Secretary, ACE Medical Center-Dumaguete, 2021
- President, Unihealth Paranaque Hospital, President
- Vice President, ACE Medical Center-Cebu, Present
- Corporate Secretary, ACE Medical Center-Mandaluyong, Present
- Corporate Secretary, ACE Medical Center-Bayawan, Present
- Corporate Secretary, ACE Medical Center-Gensan, Present
- Corporate Secretary, Paranaque Doctors Hospital, Present
- Corporate Secretary, Las Pinas City Medical Center, Present
- Assistant Corporate Secretary, ACE Medical Center-Bohol, Present
- Assistant Corporate Secretary, ACE Medical Center-Legazpi, Present
- Assistant Corporate Secretary, ACE Medical Center-Malolos, Present
- Vice President, ACE Medical Center-Palawan, Present
- Vice President, ACE Medical Center-Dumaguete, Present
- Board of Director, ACE Medical Center-Palawan, Present
- Board of Director, ACE Medical Center-Tugegarao, Present
- Board of Director, ACE Medical Center-Panganisa, Present
- Board of Director, ACE Medical Center-Sariraya, Present
- Board of Director, ACE Medical Center-Tagum, Present
- Board of Director, ACE Medical Center-San Jose Del Monte, Present
- Board of Director, ACE Medical Center-Gensan, Present
- Board of Director, Diliman Doctors Hospital, Present
- Chairwoman, Obgyne Department, Las Pinas City Medical Center, Present

9. GENEROSO M. ORILLAZA – 69 years old, Filipino

- Director, ACE Baypointe Hospital and Medical Center
- Director, ACE Dumaguete Doctors
- Director, ACE Medical Center Cebu
- Director, ACE Medical CenterTacloban
- Director, ACE Medical Center Gensan
- Head, Engineering and Maintenance, Unihealth Paranaque Hospital and Medical Center
- Member, Construction Committee, St. Lawrence of Balagtas
- Member, Construction Committee, ACE Med Center Gensan

10. FERNANDO P. CARLOS – 64 years old, Filipino

- President, ACE Medical Center-Pateros (2011-present)
- President, ACE Medical Center-Quezon City (2012-present)
- President, ACE Medical Center-Tacloban (2014-present)
- President, ACE Medical Center-Dipolog (2017-present)
- President, ACE Medical Center-Sariaya (2021-present)
- President, St. Michael De Archangel Medical Center (2022)
- Chairman, ACE Medical Center-Gensan , December 21, 2023 to Present
- Board of Director, ACE Medical Center-Gensan (2018-present)

11. MA. EDITHA LOU C. PACIS – 64 years old, Filipino

- Board of Director, ACE Medical Center-Gensan Inc. 2016 to Present
- Vice Chairman, ACE Medical Center-Gensan Inc. April 6, 2019 to August 25, 2020
- Construction Committee Member, ACE Medical Center-Gensan Inc., April 6, 2019 to Present
- Member, Philippine Medical Association
- Member, Philippine Pediatric Society
- Member, Philippines Medical Women Association
- Member, Philippine Medical Association-General Santos City Chapter
- Member, Philippine College Of Occupational Medicine
- Member, Haggai International
- President, Philippine Haggai Alumni Association, Inc
- Member, Healthcare Christian Fellowship International
- Corporate Secretary, General Santos Doctors Medical School Foundation
- President, Royal Family Christian Fellowship of General Santos City, Inc.
- President, Pediatric Association of General Santos City

12. FRANCIS G. LAVILLA – 60 years old, Filipino

- Founding Member, ACE Medical Center-Butuan Development Corp., 2016 to Present
- Founding Member, ACE Medical Center-CDO., 2016 to Present
- Founding Member, ACE Medical Center-Gensan, 2016 to Present
- Founding Member/Director, ACE Medical Center-Butuan, 2016 to Present
- Founding Member, Excel Global Inc, 2017 to 2020
- President, Endure Medical Inc, 2010-2020
- Board of Director, ACE Medical Center-Gensan Inc., August 26, 2020 to Present

13. JEAN D. ALCOVER-BANAL – 45 years old, Filipino

- Member, Philippine Medical Association
- Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
- Independent Director, ACE Medical Center-Gensan Inc., December 21, 2023 to Present
- Chief of Clinic, Socsargen County Hospital, 2016 to Present
- Assistant Professor IV, Mindanao State University Gensan, 2022 to Present

14. DARWIN P. CORPUZ – 55 years old, Filipino

- Member, Philippine Medical Association
- Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
- Independent Director, ACE Medical Center-Gensan Inc. July 31, 2019 to Present

15. STEPHEN D. SALVILLA – 43 years old, Filipino

- Member, Philippine Medical Association
- Diplomate, Philippine Board of Orthopaedics
- Fellow, Philippine Orthopaedic Association
- Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
- Construction Committee Head, ACE Medical Center-Gensan Inc., April 6, 2019 to December 2020
- Construction Committee Member, ACE Medical Center-Gensan Inc., April 6, 2019 to Present
- Assistant Professor IV Mindanao State Univrrsity Grneral Santos City College of Medicine since 2020
- Fellow, Philippine Spine Society
- Member, Asia Pacific Spine Society

(2) Executive Officers

The Company's key executive officers as of 31 December 2024, are as follows:

Fredilyn G. Samoro	President / COO
Natividad M. Torre	Vice President
Geanie A. Cerna-Lopez	Corporate Secretary
Jasmin L. Montecillo	Treasurer
Noel R. Alolod	Assistant Corporate Secretary
Marietta T. Samoy	Assistant Treasurer

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. **FERNANDO P. CARLOS** -Chairman, see foregoing Director's Profile
2. **FRANCISCO N. LORENZO** -Vice Chairman, see foregoing Director's Profile
3. **FREDILYN G. SAMORO** -President, see foregoing Director's Profile
4. **NATIVIDAD M. TORRE** -Vice President, see foregoing Director's Profile
5. **GEANIE CERNA-LOPEZ** -Corporate Secretary, See foregoing Director's Profile
6. **JASMIN L. MONTECILLO** -Treasurer, see foregoing Director's Profile
7. **NOEL R. ALOLOD** -Assistant Corporate Secretary
   - Member, Philippine Medical Association, Present
   - Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
   - Independent Director, ACE Medical Center-Gensan Inc., August 26, 2020 to December 21, 2023
   - Assistant Corporate Secretary, ACE Medical Center-Gensan Inc., December 22, 2023 to Present
8. **MARIETTA T. SAMOY** -Assistant Treasurer, 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

Dr. Amado Manuel C. Enriquez, Jr., his wife Dr. Marilyn R. Enriquez, sons, Dr. Miguel Antonio R. Enriquez and Dr. Michael Edward R. Enriquez, and Dr. Fernando P. Carlos; Engr. Generoso M. Orillaza and his wife Dr. Marissa A. Orillaza; Dr. Francis G. Lavilla and his wife Dr.Meride D. Lavilla; siblings Dr. Ma. Sonrisa D. Gabor and Dr. Ma. Theresa D. Samonte; siblings Dr. Rhodora G. Gagwis and Dr. Raymund G. Gagwis; and Dr. Ferjenel G. Biron and his son Mr. Brandt Luke Quan Biron are stockholders of the Company. Except for them, 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

The Company's related parties include its affiliates and shareholders, the Company's key management personnel and others as described below.

In the normal course of business, the Company transacts with individuals/companies, which are considered related parties. The following were carried out with the related parties as of December 31, 2024, 2023, and 2022:

Category	Outstanding Balance 2022	Transactions 2023	Outstanding Balance 2023	Transactions 2024	Outstanding Balance 2024	Terms	Conditions
Advances from Shareholders	35,455,567	(7,705,567)	27,750,000	8,075,000	35,825,000	Interest bearing to be paid in cash	Unsecured, Unguaranteed, not impaired

(a) Advances from shareholders

In a special meeting of the Board of Directors held on October 11, 2016, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

Key Management Personnel Compensation

In a meeting held on November 16, 2018, the Board of Directors approved and ratified the payment of its key management personnel with salaries equivalent to the services they rendered in overseeing the pre-operating stage of the Company, which mainly pertains to the construction of the hospital building as of reporting date.

Key management compensation amounted to ₱6,900,000, and ₱6,900,000 for the years ended December 31, 2024 and 2023, respectively. These amounts are incorporated in the "salaries and other benefits" account in the statements of comprehensive loss (see Note 15).

Key management includes the board of directors, all members of management and other Company officers.

(6) Involvement in Certain Legal Proceedings

As of December 31, 2024, the following directors are parties to the following legal proceedings in their capacity as officers of Allied Care Experts (ACE) Medical Center-Cebu Inc.:

1. Amado Manuel Enriquez, Jr.
2. Geanie Cerna-Lopez
3. Marietta T. Samoy
4. Generoso Orillaza

1. 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.

Complainant 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 was up for pre-trial conference on 20 October 2023 at 10:00 in the morning, after several postponements. 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. 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.

2. 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.

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 Motions.

3. 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., GeanieCerna-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. The 15 March 2024 was moved to 19 April 2024 at 8:30AM since the witness of the petitioner's did not show up.

(B) Compensation of Directors and Executive Officers

SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)
Name & Principal Position	Year	Salary	Bonus	Other Compensation
A. Fredilyn G. Samoro President	2024	PhP 1,200,000.00	-	-
B. Natividad M. Torre Vice President	2024	PhP 900,000.00	-	-
C. Jasmin L. Montecillo Treasurer	2024	PhP 900,000.00	-	-
D. Geanie A. Cerna-Lopez Secretary	2024	PhP 900,000.00	-	-
E. Aggregate For The Above Named CEO & Officers	2025 Estim.	PhP 3,900,000.00	-	-
	2024	PhP 3,900,00.00	0.00	-
	2023	PhP 3,600,000.00	0.00	-
F. Aggregate For The Officers And Directors As A Group	2025 Estim.	PhP 3,600,000.00	-	-
	2024	PhP 3,600,000.00	0.00	-
	2023	PhP 3,600,000.00	0.00	-

The members of the Board receive a per diem of P50,000.00 for each board meeting. There are no other bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as director, of the registrant will participate. With respect to the officers of the Company, the Board of Directors, in its meeting on July 15, 2023, approved the monthly compensation for the following officers: Chairman- P100,000.00/month; President–P100,000.00/month; Vice Chairman-P75,000.00/month ;Vice President – P75,000.00/month; Corporate Secretary–P75,000.00/month; Treasurer – P75,000.00/month, Assistant Corporate Secretary – P50,000.00/month, Assistant Treasurer – P50,000.00/month.

The Company has no registered, non-contributory retirement plan at present.

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 31 December 2024, 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	Shares Held	Percent
Common Founder	Amado Manuel C. Enriquez,Jr.	Amado Manuel C. Enriquez,Jr.	Filipino	19,710 [Common] 90 [Founder]	13.14%
Common Founder	Miguel Antonio R. Enriquez	Amado Manuel Enriquez, Jr. /Father			
Common Founder	Marilyn R. Enriquez	Amado Manuel Enriquez, Jr. /Husband			
Common Founder	Michael Edward R. Enriquez	Amado Manuel Enriquez/Father			
Common Founder	Fernando P. Carlos	Amado Manuel Enriquez Jr./Cousin			
Common Founder	Ferjenel G. Biron	Ferjenel G. Biron	Filipino	24,090 [Common] 110 [Founder]	16.06%
Common Founder	Brandt Luke Quan Biron	Brandt Luke Quan Biron			

(2) Security Ownership of Directors and Management as of 31 December 2024:

(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	Fernando P. Carlos	Director/ Chairman	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Fredilyn G. Samoro	Director/ President	Php 4,380,000.00 [Direct] Php 20,000.00 [Direct]	Filipino	2.92%

Common Founder	Francisco N. Lorenzo	Director/ Vice Chairman	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Natividad M. Torre	Director/ Vice President	Php 8,760,000.00 [Direct] Php 40,000.00 [Direct]	Filipino	5.84%
Common Founder	Jasmin L. Montecillo	Director/ Treasurer	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Geanie Cerna-Lopez	Director/ Secretary	Php 2,190,000.00 [Direct] Php 10,000.00 [Founders	Filipino	1.46%
Common Founder	Marietta T. Samoy	Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Ferjenel G. Biron	Director	Php 21,900,000.00 [Direct] Php 2,190,000.00 [Indirect] Php 100,000.00 [Direct] Php 10,000.00 [Indirect]	Filipino	16.06%
Common Founder	Stephen D. Salvilla	Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%

Common Founder	Generoso M. Orillaza	Director	Php 2,190,000.00 [Direct] Php 2,190,000.00 [Indirect] Php 10,000.00 [Direct] Php 10,000.00 [Indirect]	Filipino	1.46%
Common Founder	Amado Manuel C. Enriquez	Director	Php 10,950,000.00 [Direct] Php 8,760,000.00 [Indirect][1] Php 50,000.00 [Direct] Php 40,000.00 [Indirect]	Filipino	13.14%
Common Founder	Ma. Editha Lou C. Pacis	Director	Php 2,190,000.00 [Direct Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Francis G. Lavilla	Director	Php 2,190,000.00 [Direct] Php 2,190,000.00 [Indirect] Php 10,000.00 [Direct] Php 10,000.00 [Indirect]	Filipino	1.46%
Common Founder	Jean D. Alcover-Banal	Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Darwin P. Corpuz	Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%

Executive Officers:					
Common Founder	Fernando P. Carlos	Chairman/ Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Francisco N. Lorenzo	Vice Chairman/ Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Fredilyn G. Samoro	President/ Director	Php 4,380,000.00 [Direct] Php 20,000.00 [Direct]	Filipino	2.92%
Common Founder	Natividad M. Torre	Vice President/ Director	Php 8,760,000.00 [Direct] Php 40,000.00 [Direct]	Filipino	5.84%
Common Founder	Geanie Cerna-Lopez	Secretary/ Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Founders	Filipino	1.46%
Common Founder	Jasmin L. Montecillo	Treasurer/ Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Noel R. Alolod	Asst Corporate Secretary	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%
Common Founder	Marietta T. Samoy	Asst Treasurer/ Director	Php 2,190,000.00 [Direct] Php 10,000.00 [Direct]	Filipino	1.46%

(1) Except for Dr. Amado Manuel C. Enriquez Jr., who owns 13.14%, Dr. Ferjenel G. Biron, who owns 16.06%, Dr. Natividad M. Torre who owns 5.84% , Dr. Fredilyn G. Samoro who owns 2.92%, Engr. Generoso M. Orillaza, who owns 2.92%, Dr. Francis G. Lavilla who owns 2.92% and Dr. Rhodora G. Gagwis (2.92%) [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.

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

(3) 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.

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

'C. Certain Relationships and Related Transactions

The Company's related parties include its affiliates and shareholders, the Company's key management personnel and others as described below.

In the normal course of business, the Company transacts with individuals/companies, which are considered related parties. The following were carried out with the related parties as of December 31, 2024, 2023, and 2022:

Category	Outstanding Balance 2022	Transactions 2023	Outstanding Balance 2023	Transactions 2024	Outstanding Balance 2024	Terms	Conditions
Advances from Shareholders	35,455,567	(7,705,567)	27,750,000	8,075,000	35,825,000	Interest bearing to be paid in cash	Unsecured, Unguaranteed, not impaired

(a) Advances from shareholders

In a special meeting of the Board of Directors held on October 11, 2016, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

Key Management Personnel Compensation

In a meeting held on November 16, 2018, the Board of Directors approved and ratified the payment of its key management personnel with salaries equivalent to the services they rendered in overseeing the pre-operating stage of the Company, which mainly pertains to the construction of the hospital building as of reporting date.

Key management compensation amounted to ₱6,900,000, and ₱6,900,000 for the years ended December 31, 2024 and 2023, respectively. These amounts are incorporated in the "salaries and other benefits" account in the statements of comprehensive loss (see Note 15).

Key management includes the board of directors, all members of management and other Company officers.

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.

The Corporation has organized the various board committees, as follows:

Audit Committee:
1) Dr. Darwin P. Corpuz (ID)-Chairman
2) Dr. Jean D. Alcover-Banal (ID)
3) Dr. Geanie A. Cerna-Lopez

Corporate Governance Committee:
1) Dr. Jean D. Alcover-Banal (ID)-Chairman
2) Dr. Stephen D. Salvilla (ID)
3) Dr. Ma. Editha Lou C. Pacis

Nominations Committee:
1) Dr. Francisco N. Lorenzo-Chairman
2) Dr. Darwin P. Corpuz (ID)
3) Dr. Jocelyn S. Frial
4) Dr. Hiyasmin Clarissa Babar
5) Engr. Generoso M. Orillaza

Compensation and Remuneration Committee
1) Dr. Natividad M. Torre-Chairman
2) Dr. Stephen D. Salvilla (ID)
3) Dr. Marietta T. Samoy
4) Dr. Noel R. Alolod
5) Dr. Rodrigo K. Salangsang, Jr.

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

* 2024 Audited Financial Statements

(b) Reports on SEC Form 17-C

The following reports on SEC Form 17-C were filed by the Company in 2024:

Date	Events Reported
January 8, 2024	●Constitution of the Board Committees
March 14, 2024	● Postponement of Y2024 Annual Stockholder's Meeting to July 8, 2024; fixing of the record date for the stockholders entitled to notice of and to vote during the said ASM to be on June 18, 2024
April 20, 2024	●Appointment of External Auditor
April 30, 2024	● Approval of the Y2023 Audited Financial Statements
July 8, 2024	● Appointment of Independent Accountant ● Election of Directors ● Approval of the Y2023 Audited Financial Statements
July 8, 2024	● Election of Officers
July 30, 2024	● Constitution of the Board Committees

SIGNATURE

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.

JASMIN L. MONTECILLO Treasurer	**GEANIE CERNA-LOPEZ** Corporate Secretary	**FREDILYN G. SAMORO** President

NOTE: There is no "Comptroller" position in the existing organizational structure of the Company.

SUBSCRIBED AND SWORN to before me this APR 29 day of 2025, 2025, affiants exhibiting to me their Tax Identification Number (TIN)/Social Security System (SSS) ID Nos., as follows:

AFFIANTS	TIN/SSS/PRC Nos.
Fredilyn G. Samoro	TIN 158-036-702
Geanie Cerna-Lopez	TIN 136-728-447
Jasmin L. Montecillo	TIN 180-674-398

ATTY. ILDEFONSO O. LAMBOSO
NOTARY PUBLIC
UNTIL DECEMBER 31,2025
ROLL NO. 43054
PNC NO. 23-233
PTR NO. 1503639 A, 12-02-2024 AT GSC.
IBP RECEIPT NO. 26 42, 12-11-2024 AT GSC.
MCLE COMPLIANCE CERT. NO. VIII-0018737
TIN-146-803-870

Doc. No 407
Page No. 82
Book No. XXXI
Series of 2025

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-GenSan, Inc.
2nd Floor, Genmedex, Santiago Boulevard, General Santos City
Attention: The Corporate Secretary

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER–GENSAN, INC.
Barangay Lagao, General Santos City
(083) 305-2490 / 0917-147-1905 / 0942-484-1238
acemc.gensan@yahoo.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Dimaculangan, Dimaculangan and Company, CPA's, the independent auditor who were appointed by the stockholders for December 31, 2024, 2023 and 2022, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: ______________
Fernando P. Carlos, M.D.
Chairman

Signature ______________
Fredilyn G. Samoro, M.D.
President

Signature ______________
Jasmin L. Montecillo, M.D.
Corporate Treasurer

Signed this 16th day of April, 2025

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.
Second Flr. Genmedex, Santiago Blvd.
General Santos City, South Cotabato

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 16, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of forty-four (44) stockholders owning one hundred (100) or more shares each.

For the Firm :

DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S
BOA Accreditation No. 0416, effective until March 19, 2027
SEC Accreditation No. 0416 (Group B), effective February 7, 2023 (for the Audit Period 2022 -2026)
BIR Accreditation No. 08-002906-000-2023, effective until April 14, 2026

By:

ALFREDO S. DIMACULANGAN
Partner
CPA Certificate No. 0025465
BOA Accreditation No. 0416-001, effective until March 19, 2027
BIR Accreditation No. 08-002906-002-2025, effective until April 03, 2026
Tax Identification No.247-357-172
PTR No. MKT 10492191, January 16, 2025

April 16, 2025
Makati City
Philippines

dimaculangan,
dimaculangan and co. cpa's

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and Stockholders
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.
Second Flr. Genmedex, Santiago Blvd.
General Santos City, South Cotabato

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 16, 2025.

In compliance with Revenue Regulations V-20, we are stating the following:

a.) No Partner of our Firm is related by consanguinity or affinity to the President, Manager or any members of the Board of Directors and Stockholders of the Company.

b.) The disclosure on taxes and licenses paid or accrued during the year is shown in the supplementary report attached to the Company's financial statements.

For the Firm :

DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S
BOA Accreditation No. 0416, effective until March 19, 2027
SEC Accreditation No. 0416 (Group B), effective February 7, 2023 (for the Audit Period 2022 -2026)
BIR Accreditation No. 08-002906-000-2023, effective until April 14, 2026

By:

ALFREDO S. DIMACULANGAN
Partner
CPA Certificate No. 0025465
BOA Accreditation No. 0416-001, effective until March 19, 2027
BIR Accreditation No. 08-002906-002-2025, effective until April 03, 2026
Tax Identification No.247-357-172
PTR No. MKT 10492191, January 16, 2025

April 16, 2025
Makati City
Philippines

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph (eafs@bir.gov.ph)

To: acemc.gensan@yahoo.com

Cc: ejames_s@yahoo.com

Date: Monday, April 28, 2025 at 04:50 PM GMT+8

Hi ALLIED CARE EXPERTS (ACE)MEDICAL CENTER-GENSAN INC.,

Valid files

- EAFS009317037ITRTY122024.pdf
- EAFS009317037AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-K5ELCB8097L59KBANQQ341ZN06GDDEBHC**
Submission Date/Time: **Apr 28, 2025 04:50 PM**
Company TIN: **009-317-037**

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

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

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

Allied Care Experts (ACE) Medical Center – Gensan Inc.

Financial Statements

As at December 31, 2024 and 2023
and for the years ended December 31, 2024, 2023 and 2022

and

Independent Auditor’s Report

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.
Second Flr. Genmedex, Santiago Blvd.
General Santos City, South Cotabato

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Allied Care Experts (ACE) Medical Center-Gensan Inc. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standard.

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 *Auditor's 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 audit opinion.

Emphasis of the Matter

As discussed in Note 1 of the financial statements, the Company is still in its pre-commercial operation stage as at December 31, 2024. Its main activities are limited to the construction of the hospital building which is currently in progress.

The accumulated deficit amounting to ₱96,000,731 and ₱78,601,071 as at December 31, 2024 and 2023, respectively, represent various general and administrative expenses actually incurred by the Company while it is still in its pre-operating stage. It is expected to generate positive result upon commencement of its commercial operations.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

As at December 31, 2024 and 2023, we have determined that there are no key audit matters to communicate in our report.

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 Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 the Supplementary Information Required Under Revenue Regulations 15-2010, 19-2020 and 34-2020

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010, 19-2020 and 34-2020 is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Report on Additional Components of the Financial Statements

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** (the "Company") as at and for the year ended December 31, 2024 and have issued our report thereon dated April 16, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules required by paragraph 7, Part II of the Revised Securities Regulation Code (SRC) Rule 68 (Annex 68-J), Reconciliation of Retained Earnings Available for Dividend Declaration, and Schedule of Financial Soundness Indicators are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised SRC Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

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dimaculangan and co. cpa's

For the Firm :

DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S
BOA Accreditation No. 0416, effective until March 19, 2027
SEC Accreditation No. 0416 (Group B), effective February 7, 2023 (for the Audit Period 2022 -2026)
BIR Accreditation No. 08-002906-000-2023, effective until April 14, 2026

By:

ALFREDO S. DIMACULANGAN
Partner
CPA Certificate No. 0025465
BOA Accreditation No. 0416-001, effective until March 19, 2027
BIR Accreditation No. 08-002906-002-2025, effective until April 03, 2026
Tax Identification No.247-357-172
PTR No. MKT 10492191, January 16, 2025

April 16, 2025
Makati City
Philippines

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - GENSAN INC.
STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Peso)

		As at December 31,	
ASSETS	***Notes***	**2024**	2023
CURRENT ASSETS			
Cash	*6*	**1,200,394**	4,140,404
Advances and other receivables	*7*	**1,029,505**	7,645,373
Prepayments		**14,000**	29,500
		2,243,899	11,815,277
NONCURRENT ASSETS			
Construction in progress	*10*	**622,735,278**	578,962,052
Property and equipment (net)	*9*	**90,889,787**	90,892,178
Advances to contractors and suppliers	*8*	**26,099,000**	26,099,000
		739,724,065	695,953,230
TOTAL ASSETS		**741,967,964**	707,768,507
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and other liabilities	*11*	**62,352,999**	48,541,648
NONCURRENT LIABILITIES			
Notes payable	*12*	**214,292,000**	214,292,000
Advances from shareholders	*13*	**35,825,000**	27,750,000
		250,117,000	242,042,000
TOTAL LIABILITIES		**312,469,999**	290,583,648
EQUITY			
Share capital - net	*14*	**164,960,000**	157,470,000
Share premium-net	*14*	**309,237,483**	287,014,717
Revaluation increment on land	*9*	**51,301,213**	51,301,213
Deficit	*1*	**(96,000,731)**	(78,601,071)
		429,497,965	417,184,859
TOTAL LIABILITIES AND EQUITY		**741,967,964**	707,768,507

(The accompanying Notes to Financial Statements is an integral part of these Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - GENSAN INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in Philippine Peso)

		For the Years Ended December 31,		
	Notes	**2024**	2023	2022
REVENUE		**-**	-	-
DIRECT COST		**-**	-	-
GROSS PROFIT		**-**	-	-
INTEREST INCOME	*6*	**1,182**	3,869	4,010
GROSS INCOME		**1,182**	3,869	4,010
GENERAL AND ADMINISTRATIVE EXPENSES	*15*	**(17,400,842)**	(21,017,792)	(15,782,835)
NET LOSS BEFORE TAX		**(17,399,660)**	(21,013,923)	(15,778,825)
PROVISION FOR INCOME TAX	*16*	**-**	-	-
NET LOSS FOR THE YEAR		**(17,399,660)**	(21,013,923)	(15,778,825)
OTHER COMPREHENSIVE INCOME (LOSS) DURING THE YEAR		**-**	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(17,399,660)**	(21,013,923)	(15,778,825)
BASIC LOSS PER SHARE	*17*	**(80.46)**	(97.17)	(77.38)

(The accompanying Notes to Financial Statements is an integral part of these Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - GENSAN INC.
STATEMENTS OF CHANGES IN EQUITY
(Amounts in Philippine Peso)

	Share Capital (Note 14)	Share Premium (Note 14)	Revaluation Increment on land (Note 9)	Deficit (Note 1)	Total
EQUITY					
As at January 1, 2022	151,950,000	170,293,501	51,301,213	(51,369,894)	322,174,820
Paid up capital	1,570,000	-	-	-	1,570,000
Proceeds from					
subscription receivable		-	-	-	
Additional share premium	-	55,741,216	-	-	55,741,216
Net loss for the year	-	-	-	(15,778,825)	(15,778,825)
As at December 31, 2022	153,520,000	226,034,717	51,301,213	(67,148,719)	363,707,211
Paid up capital	3,950,000	-	-	-	3,950,000
Proceeds from	-	-	-	-	-
subscription receivable				9,561,572	9,561,572
Additional share premium	-	60,980,000	-	-	60,980,000
Net loss for the year	-	-	-	(21,013,924)	(21,013,924)
As at December 31, 2023	**157,470,000**	**287,014,717**	**51,301,213**	**(78,601,071)**	**417,184,859**
Proceeds from					
paid up capital	**7,490,000**	**-**	**-**	**-**	**7,490,000**
Proceeds from					**-**
subscription receivable				**-**	**-**
Additional share premium	**-**	**22,222,766**	**-**	**-**	**22,222,766**
Net loss for the year	**-**	**-**	**-**	**(17,399,660)**	**(17,399,660)**
As at December 31, 2024	**164,960,000**	**309,237,483**	**51,301,213**	**(96,000,731)**	**429,497,965**

(The accompanying Notes to Financial Statements is an integral part of these Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - GENSAN INC.
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

		For the Years Ended December 31,		
	Notes	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss before income tax		**(17,399,660)**	(21,013,923)	(15,778,825)
Adjustments to reconcile net loss before income tax to net cash used in operating activities:				
Depreciation	***9,15***	**137,844**	133,141	96,723
Interest income	***6***	**(1,182)**	(3,869)	(4,010)
Operating loss before changes in working capital		**(17,262,998)**	(20,884,651)	(15,686,112)
Changes in working capital components:				
Decrease (Increase) in current assets:				
Advances and other receivables	*7*	**6,615,868**	(7,540,835)	(83,738)
Prepayments		**15,500**	18,500	(8,000)
Increase (Decrease) in current liabilities:				
Accounts payable and other liabilities	***11***	**13,811,351**	13,390,075	13,058,128
Net cash used in operations		**3,179,721**	(15,016,911)	(2,719,722)
Interest received	***6***	**1,182**	3,869	4,010
Net cash provided by (used in) operating activities		**3,180,903**	(15,013,042)	(2,715,712)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in advances to contractors and suppliers	***8***	**-**	(1,730,000)	(3,381,900)
Additions to property and equipment	***9***	**(135,453)**	(54,488)	(150,480)
Additions to construction in progress	***10***	**(43,773,226)**	(46,417,390)	(128,109,740)
Net cash used in investing activities		**(43,908,679)**	(48,201,878)	(131,642,120)

Balance forwarded

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - GENSAN INC.
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

		For the Years Ended December 31,		
	Notes	**2024**	2023	2022
Forwarded balance				
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loan			8,068,635	37,100,000
(Payments of) advances from shareholders	***13***	**8,075,000**	(7,705,567)	35,455,567
Increase in share capital	***14***	**7,490,000**	3,950,000	1,570,000
Additional share premium	***14***	**22,222,766**	60,980,000	55,741,216
Net cash provided by financing activities		**37,787,766**	65,293,068	129,866,783
NET (DECREASE) INCREASE IN CASH		**(2,940,010)**	2,078,148	(4,491,049)
CASH, BEGINNING OF YEAR		**4,140,404**	2,062,256	6,553,305
CASH, END OF YEAR	***6***	**1,200,394**	4,140,404	2,062,256
NONCASH INVESTING ACTIVITIES				
Accrued interest payable	***11***	**4,098,608**	739,748	739,748
Capitalized interest on construction-in-progress	***10***	**(4,098,608)**	(739,748)	(739,748)
		-	-	-

(The accompanying Notes to Financial Statements is an integral part of these Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022
(Amounts in Philippine Peso)

NOTE 1 - CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC. (the "Company") was incorporated as a domestic corporation under Philippine laws and was duly registered with the Securities and Exchange Commission (SEC) under registration no. CS201612055 on June 10, 2016.

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 clinic, condo-hospital, scientific research institutions and other allied undertakings 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 patients.

On June 28, 2019, the SEC En Banc approved the registration application of the Company for 228,000 shares under SEC MSRD Order No.29. These shares have been registered and were offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

The registered office of the Company is located at Second Flr. Genmedex, Santiago Blvd. General Santos City, South Cotabato.

Status of Operations

Currently, the Company is constructing a multidisciplinary medical facility (hospital) which is expected to be fully completed by 2025.

The Company has incurred an accumulated deficit of ₱ 96,000,731 and ₱78,601,071 as at December 31, 2024 and 2023, respectively, as a result of various general and administrative expenses incurred while the Company is still in its pre-commercial operation stage. It is expected to generate positive result upon commencement of its commercial operations.

Authorization for Issuance of the Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2024, including its comparative figures as at December 31, 2023 and for the years ended December 31, 2024 and 2023, were approved and authorized for issuance by the Board of Directors on April 16, 2025.

NOTE 2 - FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Statement of Compliance

Basis of Preparation

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

Basis of Measurement

The financial statements have been prepared under the historical cost basis, unless otherwise stated.

Functional Currency and Foreign Currency Translations

Functional and Presentation Currency

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

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Adoption of New and Revised Accounting Standards Effective in 2024

The Company adopted all applicable accounting standards and interpretations as at December 31, 2024. 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 PFRS Effective Beginning on or after January 1, 2024:

- Amendments to PAS 1, Classification of Liabilities as Current or Non-Current

  The amendments clarify:

  - That only covenants which an entity must comply on or before reporting date will affect a liability classification as current or non-current.
  - That classification is unaffected by the leasehold that an entity will exercise its deferred right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, Lease Liability in a Sale and Leaseback

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures – Supplier Finance Arrangements* — The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk.

  Unless otherwise indicated, adoption of these new standards did not have an impact in the financial statements of the Company.

New and Amended PFRS 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, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards – Volume 11
  - Amendments to PFRS, 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lease Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all 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.

Fair Value Measurement

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability, takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

Financial Instruments

A financial instrument is any contract that give 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 statement 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.

"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.

Financial assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument)
- financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- financial assets at fair value through profit or loss

<u>Financial assets at amortized cost (debt instruments)</u>
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents (excluding petty cash fund) and advances and other receivables as at reporting dates (see Notes 6 and 7).

<u>Financial assets fair value through OCI (debt instruments)</u>
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation, if any, and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit and loss.

The Company does not have debt instruments designated at fair value through OCI as at reporting dates.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 – *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as recovery of part of the cost of the financial assets, in which case, such gains are recovered in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have equity instruments designated at fair value through OCI (FVOCI) as at reporting dates.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statements of profit or loss when the right of payment has been established.

The Company does not have financial assets at fair value through profit or loss as at reporting dates.

Derecognition

The financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statements of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' agreement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 FVPL, 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 OCI.

For a financial asset reclassified out of the financial assets at FVPL 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, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL 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 FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the

Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full or in part before taking into account any credit enhancements held by the Company. A financial asset is written off in full or in part when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Financial assets are written-off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities are classified into two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

The Company has not designated any financial liability at fair value through profit or loss at the end of each reporting period.

Financial liabilities at amortized cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the ElR method. Gains and losses are recognized

in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the ElR. The EIR amortization is included as "Finance cost" in the statements of comprehensive loss.

This category generally applies to accounts payable and other liabilities (excluding government liabilities), notes payable and advances from shareholders (see Notes 11, 12 and 13).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statements of comprehensive loss.

Fair Value Option

The Company may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortized cost or fair value through other comprehensive loss to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch or otherwise results in more relevant information.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Company assesses that it has currently enforceable right to offset if the right is not contingent on a future event and is legally enforceable in the event of insolvency or bankruptcy of the Company and all of the counterparties.

Cash

Cash in the statement of financial position comprises petty cash and cash in various banks that are unrestricted and available for current operations. These are stated in the financial statements at amortized amount.

Advances and other receivables

Advances to contractors and suppliers are payments made in advance, such as down payments for a contractual project and acquisition of equipment. Advances are initially recorded at the amount of cash paid. These will be subsequently reclassified to property and equipment upon completion of the project and/or once the equipment is actually or constructively delivered.

Other receivables on the other hand, is recognized if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets earlier discussed.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment consists of:

- its purchases price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

At the end of each reporting period, items of property, plant and equipment, except land, measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses. Land is subsequently carried at the revalued amount less accumulated impairment losses. Land is not depreciated.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. 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.

An item of property and equipment shall be derecognized upon disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their costs, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Fully depreciated and fully amortized assets are retained by the Company as part of property and equipment until these are derecognized or until they are no longer in use.

Construction-in-progress

Construction-in-progress is stated at cost. This includes the costs related to the construction of the hospital building and installation of medical equipment, property development costs and other direct costs. Cost of borrowings and any additional costs incurred in relation to the project are recognized in this account. Construction-in-progress is not depreciated until such time that the relevant assets are completed and ready for its intended use.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from the construction project is charged to operations during the period in which the loss is determined.

Impairment of Non-Financial Assets

At each reporting dates, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from the other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income.

Equity

An equity instrument is any contract with the shareholders that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue cost.

Share capital
Share capital is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Share premium
Share premium is the difference between the issue price and the par value of the stock and is known as securities premium. The shares are said to be issued at a premium when the issue price of the share is greater than its face value or par value.

Revaluation surplus
A revaluation surplus is an equity account in which is stored the upward changes in value of property and equipment. If a revalued asset is subsequently dispositioned out from the Company, any remaining revaluation surplus is credited/ (debited) to the retained earnings/ deficit account of the Company.

Deficit
Deficit represents accumulated losses incurred by the Company. Deficit may also include effects of changes in accounting policy as may be required by the standard's transitional provision.

Other comprehensive income (loss)
Other comprehensive income (loss) is defined as comprising items of income and expense that is not recognized in profit or loss as required or permitted by other standards.

Revenue Recognition

Service income from hospital services
The Company renders primary healthcare services to its patients over a single period of time in the ordinary course of business. Revenue is recognized as the services are provided.

The Hospital has no revenue for the year 2024 and 2023 since its still in building construction stage.

Sale of medical goods
Revenue from sale of medical goods is recognized at the point in time when control of the asset is transferred to the customer.

The Company does not have revenues from hospital services nor sale of medical goods since it is still in its construction stage, thus, not yet in commercial operations as at December 31, 2024.

Other Revenues

Interest income
Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive loss are presented using the function of expense method. General and administrative expenses constitute costs attributable to general, administrative, and other business activities of the Company and are expensed as incurred.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises 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 enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by its employees.

Short-term Benefits

Short-term employee benefits are those benefits expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Short-term benefits given by the Company to its employees include salaries and wages, social security, health insurance and housing contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holidays). They are included in the salaries and wages account and are recognized when paid at the end of every year to the employee.

Post-employment Benefits

The Company is subject to the provisions of Republic Act No. 7641 (known as the Retirement Law). This requires that in the absence of a retirement plan, an agreement providing benefits for retiring employees in the private sector shall prevail where an employee, upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in service, may retire and shall be entitled to a retirement pay equivalent to at least ½ month's salary for every year of service, fraction of at least 6 months being considered as 1 whole year. The current service cost is the present value of benefits, which accrue during the last year.

As at reporting dates, the Company has not yet established a Retirement Benefits Plan for its employees since no employee is entitled to date.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Borrowing costs

Borrowing costs are generally recognized as expense in the year in which these costs are incurred. However, borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for their intended use. It includes interest expense, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computations of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax rate also recognized in other comprehensive income or directly in equity respectively.

Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, after giving retroactive effect to any bonus issued/declared during the year, if any.

For the purpose of calculating diluted earnings per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) 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. 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 interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statements of comprehensive loss, net of any reimbursement.

Contingent liabilities are not recognized in the Company financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Company financial statements.

NOTE 5 - CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments in Applying the Company's Accounting Policies

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:

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant Increase of Credit Risk

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The input to these models is taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.

Classification of Financial Instrument

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

Operating Lease Commitments – Company as Lessee

Based on Management evaluation, the lease arrangements entered into by Company as a lessee are accounted for as operating leases because the Company has determined that the lessor will not transfer the ownership of the leased assets to the Company upon termination of the lease.

Recognition of Deferred Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. Recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary difference can be applied.

Impairment of Non-Financial Assets

Property and equipment is periodically reviewed to determine any indications of impairment. Though the management believes that the assumptions used in the estimation of fair values are reasonable and appropriate, significant changes in these assumptions may materially affect the assessment of the recoverable amounts and any resulting impairment loss could have a material adverse effect in the results of operations.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 4, subheading "*Provisions and Contingencies*."

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Assessment for allowance for expected credit losses

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized for the years ended December 31, 2024 and 2023. The carrying amounts of other financial assets at amortized cost are as follows:

	2024	2023
Cash*	**1,150,394**	4,090,404
Advances and other receivables	**1,029,505**	7,645,373
	2,179,899	11,735,777

**excluding petty cash fund of ₱50,000 as at December 31, 2024 and 2023*

Assessment for Impairment of Non-financial Assets

The Company assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on non-financial assets was recognized as at December 31, 2024 and 2023.

The carrying amounts of non-financial assets are as follows:

	2024	2023
Advances to contractors and suppliers	**26,099,000**	26,099,000
Property and equipment (net)	**90,889,787**	90,892,178
Construction-in-progress	**622,735,277**	578,962,052
	739,724,064	695,953,320

Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

Categories	**Estimated Useful Life**
Office furniture and equipment	5 years
Transportation and equipment	5 years

As at December 31, 2024 and 2023, the Company's property and equipment had carrying amounts of ₱90,889,787 and ₱90,892,178, respectively, as disclosed in Note 9.

Asset impairment other than goodwill

The Company performs an impairment review when certain impairment indicators are present.

Determining the recoverable amount of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

As at December 31, 2024 and 2023, Management believes that the recoverable amounts of the Company's property and equipment approximate its carrying amounts. Accordingly, no impairment loss was recognized in both years.

Deferred tax assets

The Company reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets 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 assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary difference is based on the Company's forecasted taxable income of the following reporting period. This forecast is based on the Company's past results and future expectations on revenues and expenses. As at December 31, 2024, 2023 and 2022, the Company had assessed that they will not generate sufficient taxable income from the utilization of deferred tax assets in the succeeding years.

Deferred tax assets with full valuation allowance as at December 31, 2024, 2023 and 2022 amounted to ₱20,326,194, ₱15,975,983 and ₱10,721,535, respectively (see Note 16).

NOTE 6 - CASH

This account consists of:

	2024	2023
Petty cash fund	**50,000**	50,000
Cash in banks	**1,150,394**	4,090,404
	1,200,394	4,140,404

Cash includes petty cash fund and in banks that are unrestricted and available for current operations.

This is stated in the statements of financial position at face amount. Cash in banks generally earn interest at the prevailing bank's deposit rates.

Interest earned from cash in banks and cash equivalents accounts amounted to ₱1,182, ₱3,869 and ₱4,010 in 2024, 2023 and 2022, respectively, and is presented as "interest income" in the statements of comprehensive loss.

NOTE 7 - ADVANCES AND OTHER RECEIVABLES

This account consists of:

	2024	2023
Accounts receivable	**1,013,155**	7,620,630
Advances to employees	**16,350**	24,743
	1,029,505	7,645,373

NOTE 8 - ADVANCES TO CONTRACTORS AND SUPPLIERS

This account consists of:

	2024	2023
Advances to contractors[1)]	**18,033,600**	18,033,600
Advances to suppliers[2)]	**8,065,400**	8,065,400
	26,099,000	26,099,000

[1)] Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings.

[2)] Advances to suppliers are down payments made to suppliers of medical equipment and/or construction materials ordered. The amounts represent 15% - 50% of the total contract price of the items purchased.

NOTE 9 - PROPERTY AND EQUIPMENT (net)

Reconciliation of property and equipment (net) as at December 31, 2024 is as follows:

	Land	Office Furniture and Equipment	Transportation Equipment	Total
Cost:				
At beginning of year	**39,334,287**	**750,957**	**160,000**	**40,245,244**
Additions	**-**	**135,453**	**-**	**135,453**
At end of year	**39,334,287**	**886,410**	**160,000**	**40,380,697**
Accumulated depreciation:				
At beginning of year	**-**	**547,612**	**106,667**	**654,279**
Depreciation	-	**100,511**	**37,333**	**137,844**
At end of year	**-**	**648,123**	**144,000**	**792,123**
Revaluation increment on Land	**51,301,213**	**-**	**-**	**51,301,213**
Net carrying value, December 31, 2024	**90,635,500**	**238,287**	**16,000**	**90,889,787**

Reconciliation of property and equipment (net) as at December 31, 2023 is as follows:

	Land	Office Furniture and Equipment	Transportation Equipment	Total
Cost:				
At beginning of year	39,334,287	696,469	160,000	40,190,756
Additions	-	54,488	-	54,488
At end of year	39,334,287	750,957	160,000	40,245,244
Accumulated depreciation:				
At beginning of year	–	441,138	80,000	521,138
Depreciation	-	106,474	26,667	133,141
At end of year	-	547,612	106,667	654,279
Revaluation increment on Land	51,301,213	-	-	51,301,213
Net carrying value, December 31, 2023	90,635,500	203,345	53,333	90,892,178

The land covered by TCT No. 147-20173003722 with a total area of ten thousand six hundred sixty-three square meters (10,663 sq. m.) is located in Lagao, General Santos City where the Company's multidisciplinary special medical facility (hospital) is being constructed (Note 10) and is subject of a real estate mortgage as disclosed in Note 12.

On June 7, 2019, the Company engaged an independent appraiser and determined the land's fair value at ₱90,635,500 as of appraisal date. This resulted to a revaluation increment on land amounting to ₱51,301,213 reported under equity. The fair value of parcels land was arrived at using market-based evidence adjusted based on certain elements of comparison. In valuing, records of recent sales and offerings of similar land were analyzed and comparison made for such factors as size, characteristics of the lot, location, quality and prospective use.

Management has reviewed the carrying values of property and equipment as at December 31, 2024 and 2023, for any impairment. Based on the results of its evaluation, there are no indications that these assets are impaired.

NOTE 10 - CONSTRUCTION-IN-PROGRESS

This account consists of accumulated costs for the construction of the Company's hospital building project which is still ongoing as at reporting dates:

	As at end of year	**Amount of Transactions**	**As at end of year**
	2023	**2024**	**2024**
Payment to contractors	512,097,129	**24,515,430**	**536,612,559**
Capitalized borrowing cost	29,304,355	**17,460,330**	**46,764,685**
Other related costs	37,560,568	**1,797,465**	**39,358,033**
	578,962,052	**43,773,225**	**622,735,277**

During the development and construction of the hospital building, borrowing costs on interest-bearing loans were capitalized in the approximate smart of P17.5 million and 29.3 million in 2024 and 2023 respectively (see Note 12).

Other related costs pertain to planning and project management expenses directly attributable to the construction project.

As certified by the Construction Manager of the Company, the percentage of completion as of report date is pegged at forty-seven point twenty percent (50.65%).

As at December 31, 2024, the total construction cost to complete the hospital building is estimated to be at ₱1,136,853,613.

NOTE 11 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	2024	2023
Retention payable[1)]	**23,929,555**	22,645,552
Accrued expenses[2)]	**33,661,634**	21,499,433
Accounts payable[2)]	**1,031,590**	2,501,052
Accrued interest payable[4)]	**6,873,608**	739,748
Statutory liabilities[3)]	**61,789**	606,278
Other payables	**549,585**	549,585
	66,107,761	48,541,648

[1)] Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. This shall be released to the contractor, net of deductions, if any, upon full completion and turnover of the project and final acceptance by the Company.

[2] Accrued expenses and accounts payables pertain to unpaid expenses incurred as of the end of the period which were paid the following year.

[3] Statutory liabilities pertains to tax withheld from payment to suppliers, employees' compensation and statutory contributions to SSS, PHIC and HDMF.

[4] Accrued interest payable refers to interest expense incurred on loans from bank.

NOTE 12 - NOTES PAYABLE

Notes payable as at December 31 consist of:

	2024	2023
Current portion	**-**	-
Non-current portion	**214,292,000**	214,292,000
	214,292,000	214,292,000

In 2020, the Landbank of the Philippines extended a term loan equivalent to a credit line facility totaling ₱500,000,000 to partially finance the construction of a six (6) storey hospital building with roof deck and ancillary building.

The loan can be availed in several drawdowns, payable in 12 years in ladderized quarterly amortizations, including a 3-year grace period for principal amortization. Interest rate is at prevailing rate at the time of availment subject to quarterly repricing. The Company may opt to shift to fix rate after the full drawdown based on the applicable benchmark plus spread at the time of conversion based on the fixing or on the remaining term of the Loan.

As discussed in Note 9, the loan is collaterized and secured by a Real Estate Mortgage (REM) on both parcels of land owned by the Company, including present and future improvements, thereon.

Total accumulated finance costs incurred on loans for financing the construction of hospital building which were capitalized to the building account amounted to ₱46,764,685 and ₱29,304,355 as at December 31, 2024 and 2023, respectively, and was capitalized to construction-in-progress account in the statements of financial position (see Note 10).

NOTE 13 - RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following were carried out with related parties as at December 31, 2024 and 2023:

Category	**Outstanding Balance 2024**	**Amount of Transactions 2024**	Outstanding Balance 2023	Amount of Transactions 2022	Outstanding Balance 2022	Terms	Conditions
Advances from shareholders	**35,825,000**	**8,075,000**	27,750,000	(7,705,567)	35,455,567	Non-interest bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired

(a) Advances from shareholders

In a special meeting of the Board of Directors held on October 11, 2016, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances.

In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

Key Management Personnel Compensation

In a meeting held on November 16, 2018, the Board of Directors approved and ratified the payment of its key management personnel with salaries equivalent to the services they rendered in overseeing the pre-operating stage of the Company, which mainly pertains to the construction of the hospital building as of reporting date.

Key management compensation amounted to ₱6,900,000 ,₱6,900,000, and ₱5,657,500 for the years ended December 31, 2024, 2023 and 2022, respectively. These amounts are incorporated in the "salaries and other benefits" account in the statements of comprehensive loss (see Note 15).

Key management includes the board of directors, all members of management and other Company officers.

NOTE 14 - SHARE CAPITAL - net

Details of the Company's share capital as at December 31, 2024 is as follows:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founders' shares	**600**	**600,000**
Common shares	**179,400**	**179,400,000**
Preferred shares	**60,000**	**60,000,000**
Total authorized share capital	**240,000**	**240,000,000**
Subscribed share capital:		
Founders' shares	**600**	**600,000**
Common shares	**150,130**	**150,130,000**
Preferred shares	**60,000**	**60,000,000**
Total subscribed share capital	**210,730**	**210,730,000**
Paid-up share capital (net of subscriptions receivable of ₱50,400,000):		
Founders' shares	**600**	**600,000**
Common shares	**146,360**	**146,360,000**
Preferred shares	**60,000**	**18,000,000**
Total paid-up share capital	**206,960**	**164,960,000**

Details of the Company's share capital as at December 31, 2023 is as follows:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founders' shares	600	600,000
Common shares	179,400	179,400,000
Preferred shares	60,000	60,000,000
Total authorized share capital	240,000	240,000,000
Subscribed share capital:		
Founders' shares	600	600,000
Common shares	147,270	147,270,000
Preferred shares	60,000	60,000,000
Total subscribed share capital	207,870	207,870,000
Paid-up share capital (net of subscriptions receivable of ₱50,400,000):		
Founders' shares	600	600,000
Common shares	138,870	138,870,000
Preferred shares	60,000	18,000,000
Total paid-up share capital	199,470	157,470,000

In 2018, the Company filed a registration application covering its proposed Initial Public Offering (IPO) of its 36,000 common shares. Said registration statement was approved on June 28, 2019, in accordance with the provisions of the SEC's Securities Regulation Code (see Note 1).

As of reporting date, pursuant to the SEC's approval, the Company issued a total of **FOURTEEN THOUSAND TWO HUNDRED FIFTHY (14,250)** common shares. The related share premium after deducting transaction costs associated with the issuance of shares amounted to ₱309,237,483. The common share offer price amounted to ₱250,000 up to ₱400,000 per block; [one (1) block is equivalent to ten (10) common shares].

Founders' shares have the exclusive right to vote and be voted upon as directors for five (5) years from the date of SEC registration. Thereafter, the holders of Founders' shares shall have the same rights and privileges as holders of common shares. The Company has forty-four (44) shareholders, each owning 100 or more shares of the Company's shares of stock as at December 31, 2024 and 2023.

Preferred shares shall be subject to the following terms and conditions:

1. Shall be entitled to a reasonable monthly interest to be determined by the board, subject to availability of funds.
2. Convertible to common shares on or before five (5) years.
3. The board at its discretion may at any time, allow the conversion of preferred shares to common shares.
4. Shall not be entitled to voting rights until converted to common shares.

NOTE 15 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of account consists of:

	Notes	2024	2023	2022
Salaries and other benefits	***13***	**9,686,355**	9,328,503	9,352,577
Honorarium		**4,921,000**	8,147,500	3,885,000
Professional fees		**729,614**	997,025	817,710
Transportation and travel		**431,017**	726,209	583,305
Rentals		**281,623**	283,853	180,000
Communication, light and water		**179,587**	146,857	16,508
SSS/PHIC/HDMF contributions		**172,768**	207,658	110,465
Advertising promotions and marketing		**156,120**	328,707	192,266
Office supplies		**154,473**	125,291	144,094
Repair and maintenance		**149,376**	83,257	9,500
Depreciation	***8***	**137,891**	133,141	96,723
Security services		**130,194**	-	-
Taxes and licenses		**91,006**	105,546	139,368
Board meetings and conference		**37,844**	123,514	31,283
Trainings and seminars		-	65,163	-
Miscellaneous expenses		**141,974**	215,568	224,036
		17,400,842	21,017,792	15,782,835

NOTE 16 - INCOME TAX

Computation of income tax due (RCIT or MCIT, whichever is higher) is as follows:

I. Regular Corporate Income tax (RCIT)	**2024**	2023	2022
Net loss before income tax	**(17,399,660)**	(21,013,923)	(15,778,825)
Add (deduct) reconciling items:			
Interest income subjected to final tax (Note 6)	**(1,182)**	(3,869)	(4,010)
Net operating loss	**(17,400,842)**	(21,017,792)	(15,782,835)
Tax rate	**25%**	25%	25%
RCIT	**NIL**	NIL	NIL

II. Minimum Corporate Income Tax (MCIT)

No MCIT computation is presented as there were no taxable revenues for the years ended December 31, 2024 and 2023. In 2019, as per National Internal Revenue Code (NIRC), the Company is not yet covered by the Minimum Corporate Income Tax (MCIT) since the Company has not yet started its commercial operations.

III. Net Operating Loss Carry Over (NOLCO)

On September 30, 2020, Finance Secretary Carlos Dominguez and Internal Revenue Commissioner Caesar Dulay signed Revenue Regulation 25-2020, implementing Section 4 of the Bayanihan to Recover as One or Bayanihan 2 Act, particularly on the NOLCO of companies. The Bureau of Internal Revenue (BIR) has extended to five years the carry-over period for net operating losses incurred by businesses in 2020 and 2021 due to the impact of the coronavirus pandemic.

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2020	2025	13,430,409	-	-	-	13,430,409
2021	2026	13,672,897	-	-	-	13,672,897
		27,103,306	**-**	-	-	27,103,306

In June 30, 2022 the NOLCO carry over period was reverted back to three years. Thus, as at December 31, 2024, NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2022	2025	15,782,835	-	-	-	15,782,835
2023	2026	21,017,792	-	-	-	21,017,792
2024	**2027**	**-**	**17,400,842**	**-**	**-**	**17,400,842**
		36,800,627	**17,400,842**	**-**	**-**	**54,201,469**

IV. Deferred Tax Asset

The significant component of the Company's deferred tax assets are as follows:

	2024	2023	2022
NOLCO	**81,304,775**	63,903,933	42,886,141
Tax rate	**25%**	25%	25%
	20,326,194	15,975,983	10,721,535
Valuation allowance (Note 5)	**(20,326,194)**	(15,975,983)	(10,721,535)
	-	–	–

The Company provides full valuation allowance on its deferred tax assets from NOLCO since management believes that the Company will not be able to generate future taxable income in which such can be applied. The deferred tax asset of the Company arising from net operating loss carry over (NOLCO) prior to 2020 can be charged against future taxable income of the next three (3) years. On the other hand, deferred tax assets arising from NOLCO for the years 2020 and 2021 can be charged against future taxable income of the next five (5) taxable years pursuant to the CREATE Law.

NOTE 17 - BASIC LOSS PER SHARE

Basic loss per share is computed as follows:

	2024	2023	2022
Loss attributable to ordinary shares	**17,399,660**	(21,013,923)	(15,778,825)
Divide by: Weighted average number of ordinary shares outstanding	**209,780**	207,871	203,920
Basic loss per share	**(82.94)**	(101.09)	(77.38)

There are no potential dilutive ordinary shares outstanding as at December 31, 2024, 2023 and 2022.

NOTE 18 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk

The Company's financial risk management policies seek to minimize potential adverse effects of financial risk such as credit risk, liquidity risk, and interest rate risk to its financial assets and financial liabilities.

The Company's principal financial assets and financial liabilities consist of cash (excluding petty cash fund), advances and other receivables, accounts payable and other liabilities (excluding government liabilities), notes payable and advances from shareholders which arise from operations.

The Company's Board of Directors reviews and approves the policies for managing each of these risks and these are summarized below:

Credit risk

Credit risk is the risk that the third party will default on its obligation to the Company and cause the Company to incur financial loss. The Company's business policy aims to limit the amount of credit exposure to any individual client and financial institution. The Company has credit management policies in place to ensure that contracts are entered into with clients who have sufficient financial capacity and good credit history.

The Company's financial assets at amortized cost are composed of cash and cash equivalents (excluding petty cash fund) and advances and other receivables. The Company limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

Advances and other receivables are being monitored on a regular basis to ensure timely execution of necessary intervention efforts to minimize credit losses.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	As at December 31, 2024			
	Financial assets at amortized cost			
	12-month ECL	**Lifetime ECL – not credit impaired**	**Lifetime ECL – credit impaired**	**Total**
Cash*	**1,150,394**	**-**	**-**	**1,150,394**
Advances and other receivables	**1,029,505**	**-**	**-**	**1,029,505**
	2,179,899	**-**	**-**	**2,179,899**

**excluding petty cash fund amounting to ₱50,000 as at December 31, 2024.*

	As at December 31, 2023			
	Financial assets at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash*	4,090,404	-	-	4,090,404
Advances and other receivables	7,645,373	-	-	7,645,373
	11,735,777			11,735,777

**excluding petty cash fund amounting to ₱50,000 as at December 31, 2023.*

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company's financial instruments that are interest-bearing are its cash and cash equivalents (excluding petty cash fund) and notes payable (Notes 6 and 12).

Cash and cash equivalents are subject to prevailing interest rates (see Note 6). Considering that such financial assets have short-term maturity, management does not foresee any cash flow and fair value interest rate risk to have a significant impact on the Company's operations.

The Company's notes payable is exposed to prevailing interest rates subject to repricing based on the tenor of the benchmark rate used (see Note 12). However, upon management assessment, these do not present significant interest rate risk.

Interest rate risk, however, is directed to the portion of the Company's interest-bearing liability, loans payable to a related party, which carry fixed interest rate and are measured at amortized cost.

The Company has no established policy in managing interest rate risk. Management believes that fluctuations on the interest rates will not have significant effect on the Company's financial performance.

Liquidity Risk

In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on contractual and undiscounted payments:

As at December 31, 2024

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Assets:					
Cash*	**1,150,394**	**-**	**-**	**-**	**1,150,394**
Advances and other receivables	**1,029,505**	**-**	**-**	**-**	**1,029,505**
	2,179,899	**-**	**-**	**-**	**2,179,899**

**Excluding petty cash fund amounting to ₱50,000 as at December 31, 2024.*

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Liabilities:					
Accounts payable and other liabilities**	**62,291,210**	**-**	**-**	**-**	**62,291,210**
Notes payable	**-**	**–**	**45,001,320**	**169,290,680**	**214,292,000**
	62,291,210	**-**	**45,001,320**	**169,290,680**	**276,583,210**

***Excluding government liabilities amounting to ₱61,789 as at December 31, 2024.*

As at December 31, 2023

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Assets:					
Cash*	**4,090,404**	**-**	**-**	**-**	**4,090,404**
Advances and other receivables	**7,645,373**	**-**	**-**	**-**	**7,645,373**
	11,735,777	**-**	**-**	**-**	**11,735,777**

**Excluding petty cash fund amounting to ₱50,000 as at December 31, 2023.*

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Liabilities:					
Accounts payable and other liabilities**	**47,935,370**	**–**	**–**	**–**	**47,935,370**
Notes payable	**–**	**–**	**45,001,320**	**169,290,680**	**214,292,000**
	47,935,370	**–**	**45,001,320**	**169,290,680**	**262,227,370**

***Excluding government liabilities amounting to ₱ 606,278 as at December 31, 2023.*

FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities are presented below:

	As at December 31, 2024		As at December 31, 2023	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets:				
Cash*	**1,150,394**	**1,150,394**	4,090,404	4,090,404
Advances and other receivables	**1,029,505**	**1,029,505**	7,645,373	7,645,373
	2,179,899	**2,179,899**	11,735,777	11,735,777

**Excluding petty cash fund amounting to ₱50,000 as at December 31, 2024 and 2023.*

	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities:				
Accounts payable and other liabilities**	**62,291,210**	**62,291,210**	47,935,370	47,935,370
Notes payable	**214,292,000**	**214,292,000**	214,292,000	214,292,000
Advances from shareholders	**35,825,000**	**35,825,000**	27,750,000	27,750,000
	312,408,210	**312,408,210**	289,977,370	289,977,370

***Excluding government liabilities amounting to ₱61,789 and ₱606,278 as at December 31, 2024 and 2023, respectively.*

Assumption Used to Estimate Fair Values

The carrying amounts of cash and cash equivalents, advances and other receivables, and accounts payable and other liabilities approximate their fair values as at reporting dates due to the short-term nature of the transactions.

The carrying amount of notes payable approximates its fair value due to pre-determined contractual cash flow arrangements based on an applicable and regular re-priceable Philippine Dealing System Treasury (PDST) floating rate covering the term of the loan, as provided by the financial lending institution.

The fair value of refundable deposits cannot be measured reliably since there was no comparable market data and inputs for the sources of fair value such as discounted cash flows analysis. However, Management believes that their carrying amounts approximate their fair value.

Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of financial assets and liabilities:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs are unobservable for the asset or liability

The table below summarizes the classification of the Company's financial assets and liabilities based on the fair value measurement hierarchy:

	As at December 31, 2024		
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Un-observable Inputs (Level 3)**
Financial Assets:			
Cash*	**1,150,394**	**-**	**-**
Advances and other receivables	-	**1,029,505**	**-**
	1,150,394	**1,029,505**	**-**

**Excluding petty cash fund amounting to ₱50,000 as at December 31, 2024.*

Financial Liabilities:			
Accounts payable and other liabilities**	**-**	**62,291,210**	**-**
Notes payable	**-**	**214,292,000**	**-**
	-	**276,583,210**	**-**

***Excluding government liabilities amounting to ₱61,789 as at December 31, 2024.*

	As at December 31, 2023		
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un-observable Inputs (Level 3)
Financial Assets:			
Cash*	4,090,404	–	–
Advances and other receivables	-	7,645,373	–
	4,090,404	7,645,373	–

**Excluding petty cash fund amounting to ₱50,000 as at December 31, 2023.*

Financial Liabilities:			
Accounts payable and other liabilities**	–	47,935,370	–
Notes payable	–	214,292,000	–
	–	262,227,370	–

***Excluding government liabilities amounting to ₱606,278 as at December 31, 2023.*

There were no reclassifications made between the different fair value hierarchy level as at December 31, 2024 and 2023.

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, pay existing obligations and maximize shareholders value.

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The following table pertains to the account balances the Company considers as its core economic capital:

	2024	2023
Share capital-net	**164,960,000**	157,470,000
Share premium-net	**309,237,483**	287,014,717
Revaluation increment on land	**51,301,213**	51,301,213
Deficit	**(96,000,731)**	(78,601,071)
	429,497,965	417,184,859

The loan agreement with Landbank (Note 12) provides certain restrictions and requirements with respect to, among others, maintenance of financial ratios (debt-to-equity ratio of 80:20), percentage of ownership of specific shareholders, creation of property encumbrances and additional guarantees for the incurrence of additional long-term indebtedness.

As of reporting dates, all covenants and requirements are complied with.

NOTE 19 - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITES

The following table summarizes the changes in liabilities arising from financing activities as at December 31, 2024 and 2023:

	2023	**Cash Inflows**	**Payments**	**2024**
Notes payable	214,292,000	–	–	**214,292,000**
Advances from shareholders	27,750,000	8,075,000	–	**35,825,000**
	242,042,000	8,075,000	–	**250,117,000**

	2022	Cash Inflows	Payments	2023
Notes payable	214,292,000	–	–	214,292,000
Advances from shareholders	35,455,567	–	(7,705,567)	27,750,000
	249,747,567	–	(7,705,567	242,042,000

SUPPLEMENTARY INFORMATION REQUIRED BY REVENUE REGULATION (RR)

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

Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 15-2010, which requires certain information on taxes, duties, and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. This supplemental information, which is an addition to the disclosures mandated under PFRS is presented as follows:

Output and Input Value-Added Tax

Hospitals and clinics are exempt from VAT by virtue of Section 109 of the National Internal Revenue Code.

Documentary Stamp Tax

Details of the documentary stamp taxes paid for the year ended December 31 are as follows:

	2024
DST on additional subscription of shares charged to expense	**56,230**

Taxes and licenses

Details of the Company's other local and national taxes for the year are as follows:

	2024
Documentary stamp tax	**56,230**
Real property tax	**9,322**
Business permits	**4,392**
Annual BIR registration fee	**500**
Community tax	**20,562**
	91,006

Withholding Taxes

Withholding taxes paid by the Company for the year are as follows:

	2024
Expanded withholding taxes	**948,361**
Withholding tax on compensation	**2,123,444**
	3,071,805

Deficiency Tax Assessment and Tax Cases

The Company has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in court or bodies outside the Bureau of Internal Revenue as of December 31, 2024.

RR 19-2020 and RR 34-2020

In 2020, the Bureau of Internal Revenue (BIR) issued the foregoing Revenue Regulations for the effective implementation of Philippine Accounting Standard No. 24 (PAS 24) governing the guidelines and procedures for "transfer pricing documentations" involving related party transactions thru the submission of BIR Form No. 1709 and the supporting documents, as an attachment to the financial statements to be filed with the BIR.

The Company reported net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years, hence, meets the criteria provided by these Revenue Regulations, and accordingly, required to submit BIR Form 1709.

* * *