

SEC Number : CS201612055  
File Number :

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

(Company's Full Name)

2/F, GENMEDEX, Santiago Blvd., General Santos City

(Company's Address)

**009-317-037-000**

(TIN Number)

**+639150819353 and +639171471905**

(Telephone Number)

-

(Fax Number)

**SEC FORM 20-IS**  
**DEFINITIVE INFORMATION STATEMENT**

Form Type

Each Active Secondary License Type and File Name: NONE

## ONCOLL PAYMENT SLIP



LANDBANK

Please check the appropriate mode of payment.



CASH



CHECK



DEBIT FROM ACCOUNT

DATE

6-7-2025

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER

0552 2222 68

MERCHANT / AGENCY NAME

SEC JRC

Reference Number 1

20250570 - 12846819

Printed Name and Signature of Payor / Depositor / Representative

SUNORIX PARTIAL

Reference Number 2

ALLIED CARE EXPENSE (ACE) MEDICAL CENTER

Validation 03JUN2025 14:50:49 000220 2ELE Reg Pymt Coll

BRANCH NAME 0280

Reference Number 3 (Numeric)

CORPORATE INC.

INSTITUTION NAME Securities and Exchange Commissio

CLRNG ACCT NO 055222288

PAYMENT ASSESSMENT FORM 2025053012846819

Amount

7,500

NAME OF PAYOR ALLIED CARE

AMOUNT PHP 7,500.00

40.00

## ONCOLL PAYMENT SLIP



LANDBANK

Please check the appropriate mode of payment.



CASH



CHECK



DEBIT FROM ACCOUNT

DATE

JUNE 3, 2025

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER

3402 2319 20

MERCHANT / AGENCY NAME

SEC BTR ACCOUNT - LRF

Reference Number 1

20250570 - 12846819

Printed Name and Signature of Payor / Depositor / Representative

SUNORIX PARTIAL

Reference Number 2

ALLIED CARE EXPENSE (ACE) MEDICAL CENTER CORPORATE INC.

Validation 03JUN2025 14:51:57 000223 2ELE Reg Pymt Coll

BRANCH NAME 0280

Reference Number 3 (Numeric)

INSTITUTION NAME Sec Head Office

CLRNG ACCT NO 3402231920

PAYMENT ASSESSMENT FORM 2025053012846819

Amount

75.00

COMPANY NAME ALLIED CARE

AMOUNT PHP 75.00

0.00

ONCOLL PAYMENT SLIP

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

This is your receipt when machine validated.





**NOTICE OF THE ANNUAL STOCKHOLDERS MEETING  
OF  
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-GENSAN INC.**

DEAR STOCKHOLDERS:

Please take notice that the annual stockholders meeting of Allied Care Experts (ACE) Medical Center -Gensan Inc. will be held on July 9, 2025, Wednesday, at 8:00 in the morning; the meeting will be conducted via Zoom Webinar. Kindly confirm your presence for the meeting by registering on or before July 4, 2025. To register, please click the link below:

[https://us06web.zoom.us/webinar/register/WN\\_taoqxt8pSsCMuwkQTEs8Ww](https://us06web.zoom.us/webinar/register/WN_taoqxt8pSsCMuwkQTEs8Ww)

The link will provide you the process for the registration. You will receive a confirmation email once you have successfully registered in the platform, including the details and procedures in the conduct of the meeting. Voting will be done via the online tool which you can access once you have logged in to the zoom meeting. The host will launch the following voting link during the meeting, where participants will be prompted to cast their votes.

[acegensanvote.com](https://www.acegensanvote.com)

Please note the following voting procedure:

1. Log in using the link and voting code provided by ACE. Voting codes will be generated by the system which will be given to the Nomination and Election Committee once the list of voters are final. The codes will be provided to the respective voters by the Nomination and Election committee via email or SMS through the email address or mobile number that you have submitted to the corporation.
2. Use the input box to cast votes on preferred candidate/s. You may indicate the desired number of votes in the input box for each candidate or you may cast all your available votes on a single candidate.
3. Review your preferred list of candidate/s. A pop-up box will show your chosen candidate/s. Kindly review.
4. Click "Submit" to confirm your votes.
5. Click "Export PDF" for your voting receipt. This will let you download a PDF of your voting receipt. This is optional.



The meeting shall be recorded (visual and audio) for future reference.

The Agenda:

- I. Call to Order
- II. Invocation
- III. Determination of Quorum
- IV. Welcome Message from the Chairman of the Board
- V. Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on July 8, 2024
- VI. Presentation/Approval of the Y2024 Audited Financial Report
- VII. President's Report
- VIII. Ratification of the Acts and Proceedings of the Board of Directors, Officers, and Management of the Corporation
- IX. Amendment of the Article II, Section 6, Article III, Section 6 and Article II Section 7
- X. Election of the Board of Directors for year 2025-2026
- XI. Appointment of External Auditor for the year 2025
- XII. Adjournment

Only stockholders of record at the close of business on June 19, 2025 (Record Date) shall be entitled to notice of and to vote at the meeting. If you cannot personally attend the meeting, you may opt to send your proxy to attend in your behalf. Kindly submit your duly executed proxy form with the undersigned, via email, at [compliance.acemcgensan@gmail.com](mailto:compliance.acemcgensan@gmail.com) not later than July 8, or preferable, on or before July 4, 2025, to enable your proxy to register in the Zoom Webinar. A sample of the proxy form is available at the Corporation's website for your reference. [NOTE: Management is not soliciting proxies]

The Information Statement and Management Report and SEC Form 17-A are available at the Corporation's website at <http://acemcgensan.com/>.

You may contact the undersigned via email at [compliance.acemcgensan@gmail.com](mailto:compliance.acemcgensan@gmail.com), or through telephone number: (083) 305-2490, if you have inquiries or concerns regarding the meeting.

Very truly yours,

**GEANIE A. CERNA-LOPEZ**  
Corporate Secretary





## PROXY

### KNOW ALL MEN BY THESE PRESENTS :

The undersigned, a stockholder of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-GENSAN, INC. ("ACEMC-Gensan"), do hereby nominate, constitute and appoint \_\_\_\_\_, my true and lawful attorney, and proxy to represent me and vote all shares registered in my name in the books of the corporation during the Annual Stockholders' Meeting of ACEMC-Gensan, to be held on July 9, 2025 as fully to all intents and purposes as I might or could do if personally present, hereby ratifying and confirming any and all matters which may lawfully come before said meeting or any adjournment thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
(Signature over Printed Name of Stockholder)

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-1S  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

**I. Check the appropriate box:**

- ☐ Preliminary Information Statement  
☒ Definitive Information Statement

**II. Name of Registrant as specified in its charter: ALLIED CARE EXPERTS(ACE) MEDICAL CENTER-GENSAN  
INC.**

1. Province, country or other jurisdiction of incorporation or organization: Philippines

2. SEC Identification Number: CS201612055

3. BIR Tax Identification Code: 009-317-037-000

4. Address of Principal Office: Postal Code:

2/F, GENMEDEX Building, Santiago Blvd., 9500  
General Santos City

i. Registrant's telephone number, including area code: (083) 3052490

5. Date, time and place of the meeting of security holders:

Date : July 9, 2025

Time : 8:00 A.M.

Place : Conference Room, Allied Care Experts (Ace) Medical Center-Gensan Inc.  
Site Office, Digos-Makar Road, Barangay Lagao, General Santos City 9500  
Via Zoom @

[https://us06web.zoom.us/webinar/register/WN\\_taoqxt8pSsCMuwkQTEs8Ww](https://us06web.zoom.us/webinar/register/WN_taoqxt8pSsCMuwkQTEs8Ww)

6. Approximate date on which the Information Statement is first to be sent or given to security holders: June 18, 2025

7. In case of Proxy Solicitations: NOT APPLICABLE

Name of Person Filing the Solicitation Statement:

Address and Tel. No. :

8. Securities registered pursuant to Section 8 and 12 of the Code or Section 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock  
Outstanding/Amount of Outstanding Debt

Common Shares 150,130

Amount of Debt Outstanding Php 318,629,067

9. Are any or all registrant's securities listed in a Stock Exchange?  
Yes \_\_\_\_\_ No x

<b>PART I</b>
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**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**1. GENERAL INFORMATION**

**Date, time and place of meeting of security holders.**

1. The stockholders' meeting shall be held on:

Date : July 9, 2025

Time : 8:00 A.M.

Place : Conference Room, Allied Care Experts (Ace) Medical Center-Gensan Inc.  
Site Office, Digos-Makar Road, Barangay Lagao, General Santos City 9500  
Via Zoom @  
[https://us06web.zoom.us/webinar/register/WN\\_taoqxt8pSsCMuwkQTEs8Ww](https://us06web.zoom.us/webinar/register/WN_taoqxt8pSsCMuwkQTEs8Ww)

Complete Mailing Address of Principal Office of Registrant:

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-GENSAN INC.  
2/F FLOOR, GENMEDEX, SANTIAGO BOULEVARD  
GENERAL SANTOS CITY 9500

2. The approximate date on which the information statement is first to be sent and given to security holders shall be June 18, 2025.

**Dissenter's Right of Appraisal**

There are no proposed actions that may give rise to a possible exercise by security holders of their appraisal right. Under Section 80, Title X of the Revised Corporation Code of the Philippines, the stockholders of the Corporation have the right of appraisal under the following instances:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Further, under Section 81 of the Revised Corporation Code, the dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate of stock representing the stockholders' shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) appraisers thus chosen. The findings of the majority of the appraisers shall be final and their award shall be paid the corporation within thirty (30) days after such award is made; Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to covers such payment; Provide, further, That upon payment by



the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

### **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director, officer or nominee for election as director of the Company, or associate of a director, officer, or nominee for election as director has any substantial interest in any matter to be acted upon, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

## **2.CONTROL AND COMPENSATION INFORMATION**

### **Voting Securities and Principal Holders Thereof**

a. Class of Voting Shares as of March 31, 2025:

	<b>Shares Outstanding</b>	<b>No. of Vote Each Share Is Entitled</b>
Common Shares:		
Filipino	<b>150,130</b>	One (1) vote per share
Foreign	<b>-</b>	One (1) vote per share
Total	<b>150,130</b>	

b. Record Date:

All stockholders of record as of June 19, 2025 are entitled to notice of and to vote at the Annual Stockholders' Meeting.

c. Manner of voting:

The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method.

## **3.SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT**

1.Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of March 31, 2025

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 March 31, 2025, are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	No. of Shares Held	Percent
Common Founder	Amado Manuel C. Enriquez,Jr./70 West Avenue, Brgy Paltok, QC/Stockholder	Amado Manuel C. Enriquez,Jr.	Filipino	10,950	19,710 [Comm on Shares] 90 [Found er Shares]	13.14%
Common Founder	Miguel Antonio R. Enriquez/70 West Avenue, Brgy Paltok, QC /Stockholder	Amado Manuel Enriquez, Jr. /Father	Filipino	50		
Common Founder	Marilyn R. Enriquez/70 West Avenue, Brgy Paltok, QC /Stockholder	Amado Manuel Enriquez, Jr. /Husband	Filipino	2,190		
				10		

Common Founder	Michael Edward R. Enriquez/70 West Avenue, Brgy Paltok, QC /Stockholder	Amado Manuel Enriquez/Father	Filipino	2,190 10		
Common Founder	Fernando P. Carlos/19B Penhurst Condominium, Bonifacio, Global City, Taguig City/Stockholder	Amado Manuel Enriquez Jr./Cousin	Filipino	2,190 10		
Common Founder	Ferjenel G. Biron	Ferjenel G. Biron	Filipino	21,900 100	24,090 [Comm on Shares] 110 [Found er Shares]	16.06%
Common Founder	Brandt Luke Quan Biron	Ferjenel G. Biron/Father	Filipino	2,190 10		

2.Security Ownership of Directors and Management as of March 31, 2025:

(1) Title of Class	(2) Name of Beneficial Owner	Position	(3) Amount and Nature of Beneficial Ownership	(4) Citizenship	(5) Percentage (%) of Class
	<b>Board of Directors:</b>				
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] <sup>1</sup>  Php 50,000.00 [Direct]	Filipino	13.14%



			Php 40,000.00 [Indirect]		
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.

#### **Directors and Executive Officers**

##### **1. Directors/Nominees and Executive Officers**

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; they are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and

qualified. A director who is elected to fill any vacancy holds office only for the unexpired term of his predecessor. The current members of the Board of Directors are the following:

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)

#### **Nominees for Election as Members of the Board of Directors**

The following have been nominated to the Board for the ensuing year:

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

The Company has complied with the guidelines on the nomination and election of independent directors as set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The independent directors, Dr. Stephen D. Salvilla, Dr. Agnes Jean M. Villaflor and Dr. Darwin Corpuz, were nominated by Dr. Rodney Jun Garcia, Dr. Raymund G. Gagwis and Dr. Rodrigo K. Salangsang respectively. The nominees are not related to their respective nominating stockholder and were pre-screened by the Nominations Committee composed of Dr. Francisco N. Lorenzo(chairperson), Dr. Hiyasmin Clarissa Babar, Engr. Generoso M. Orillaza, Dr. Jocelyn S. Frial and Dr. Darwin P. Corpuz.

The Company's key executive officers as of April 30, 2025 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 following the annual stockholders' 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.

Please refer to attached Annex "A" (pages 20 to 25) for the summary of qualifications of the current Directors/Nominees and Executive Officers.

### Significant Employees

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

### 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.

### Certain Relationships and Related 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 March 31, 2025:

Category	Outstanding Balance Mar-25	Amount of Transaction 2025	Outstanding Balance 2024	Amount of Transaction 2024	Outstanding Balance 2023	Terms	Conditions
Advances from Shareholders	42,175,342	6,350,342	35,825,000	8,075,000	27,750,000	Interest Bearing to be paid in Cash (a)	Unsecured, unguaranteed, unimpaired

#### (a) Advances from shareholders

The founders and shareholders of ACE MC Gen San took it upon themselves to help in the immediate need of funds of the company. So, in 2022, some of the founders lent funds to the company which at the end of year 2024, the carrying balance stands at P35,825,000. These were reported as related account transaction

**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.

### **Involvement in Certain Legal Proceedings**

As of **May 31, 2025**, 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.



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

## **1.COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

SUMMARY COMPENSATION TABLE

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

- a. 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.

Below is the table on the per diem received by the directors for meetings of the Board and Committees and compensation received by the officers, for the year 2024:

Names of Directors	Per Diem	Compensation (Officers)
1. Dr. Fernando P. Carlos	63,000	1,200,000
2. Dr. Francisco N. Lorenzo	-	900,000
3. Dr. Fredilyn G. Samoro (President)	133,000	1,200,000
4. Dr. Natividad M. Torre (Vice President)	7,000	900,000
5. Dr. Geanie A. Cerna-Lopez (Corporate Secretary )	-	600,000

6. Dr. Jasmin L. Montecillo (Treasurer)	-	900,000
7. Dr. Marietta T. Samoy (Asst. Treasurer)	-	600,000
8. Dr. Amado Manuel C. Enriquez, Jr	-	-
9. Francis G. Lavilla	-	-
10. Engr. Generoso M. Orillaza	49,000	-
11. Dr. Ma. Editha Lou C. Pacis	-	-
12. Dr. Ferjenel G. Biron	-	-
13. Dr. Jean D. Alcover-Banal*	-	-
14. Dr. Stephen D. Salvilla	-	-
15. Dr. Darwin P. Corpuz	-	-
16. Dr. Noel R. Alolod (Asst. Corp. Secretary)	-	900,000

- b. The Company has no registered, non-contributory retirement plan at present.
- c. The Company has no existing options, warrants or rights to purchase any securities.

## **2. INDEPENDENT PUBLIC ACCOUNTANTS**

The Company's external auditor is the auditing firm of Dimaculangan, Dimaculangan and Co. CPA's. For the year 2024, the board recommends the appointment of Dimaculangan Dimaculangan and Co. CPAS as the Company's external auditor, based on the recommendations of the Audit Committee composed of Dr. Darwin Corpuz [Chairperson/Independent Director], Dr. Geanie Cerna-Lopez (Member) and Dr. Jean Alcover-Banal (Independent Director), subject to stockholders' approval.

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.

1. Dimaculangan, Dimaculangan and Co. CPA's, represented by its engagement partner, Mr. Alfredo S. Dimaculangan, is the external auditors of the Company for the most recently completed year 2024. Pursuant to SRC Rule 68 (2019) (re: rotation of external auditors), the Company has not engaged Mr. Alfredo S. Dimaculangan for more than seven years.
2. 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.
3. 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.
4. 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)
5. 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 P176,758.40; 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 March 31, 2025.

### **3. OTHER MATTERS**

#### **Action with Respect to Reports**

The approval of the stockholders on the following will be taken up:

1.Minutes of the July 8, 2024 Annual Stockholders' Meeting. The Minutes cover the following items:

1. Reading and Approval of the Minutes of the Annual Stockholders' Meeting on December 21, 2023 by the Corporate Secretary
2. Presentation and Approval of Year 2023 Audited Financial Statements
3. President's Report
4. Ratification of Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation for the Period from December 21, 2023 to July 7, 2024
5. Election of Directors for the Year 2024-2025
6. Appointment of External Auditor for Year 2024
7. Other Matters
8. Adjournment

The approval or disapproval of the above Minutes will refer only to the correctness of the Minutes and will not constitute an approval/disapproval of the matters stated in the Minutes.

2.Audited Financial Statements for the year ending 31 December 2024.

#### **Other Proposed Actions**

1. Ratification of all corporate acts and resolutions during the past year of the Board, Officers and Management. These acts are covered by resolutions duly adopted in the usual course of business such as opening of bank accounts and designation of authorized signatories for various transactions, etc.

Date	Corporate Acts
07-08-2024	-election of officers for year 2024-2025
	-approval on the schedule of the Regular BOD Meeting which will be on every last Saturday Of the month
07-30-2024	-constitution of the committees
08-10-2024	-approval on the application on e-Tax Payment System of Land Bank of the Philippines
	-approval on the refund of the fully paid Privilege to Practice Fee to the estate of Dr. Roy Lambert Tan, a deceased investor
09-28-2024	- approval on the engagement of the services of Rocket Equities to do valuation of the Hospital
	-approval on the engagement of the full time legal services of Atty Joy Mariano Balayon as company lawyer
10-11-2024	-approval on the new template of the acknowledgement receipt and the transaction processing of its printing in accordance to BIR rules and regulations.
11-09-2024	Call for payment ( all unpaid subscriptions as of November 9, 2024 to be paid on or before December 15, 2024 )
02-08-2025	- setting of the Y2025 Annual Stockholders Meeting on July 9, 2025 and the record date to be on June 19, 2025
	-approval on the request for an extension of the grace period for the principal payment on Term Loan 1 with Land Bank of the Philippines
	-approval on the engagement of Atty. Rodolfo Pollentes, Jr. as legal counsel to represent the company in matters concerning RR Sagaray and other related legal issues.

03-01-2025	- grant of authority to Dr. Fredilyn G. Samoro, President, to represent Allied Care Experts ( ACE ) Medical Center- GENSAN Inc. (Corporation) in its negotiation on the settlement of the outstanding balance under the Construction Contract dated October 27, 2020 with RR Sagaray Engineering and Construction Supply (RRSECS).
04-22-2025	amendment of Section 6, Article II and Section 6, Article III of the By-laws to include the use of tele/video conferencing platforms in the conduct of board and stockholders' meetings and amendment of Section 7, Article II, changing the deadline for the submission of proxy for the Annual Stockholders' Meeting (ASM) from "a day before the scheduled meeting" to "seven days prior to the date of the annual stockholders meeting".
	- approval of the Y2024 Audited Financial Statements (AFS) of Allied Care Experts (ACE) Medical Center-Gensan Inc; appointment of Dimaculangan, Dimaculangan and Co. CPA's as the External Auditor for year 2025
06-06-2025	- approval on the proposal to amend the hospital building plan thereby reducing the floors from seven to three.

2. Election of Directors for Y2025-Y2026
3. Appointment of External Auditor for fiscal year ending 31 December 2025

#### **Amendment of Charter, By-Laws and other Documents**

On April 22, 2025, the Board approved the following amendments to the Bylaws of the Corporation:

Section 6, Article II and Section 6, Article III of the By-laws to include the use of tele/video conferencing platforms in the conduct of board and stockholders' meetings – The amendment is proposed in order to allow a wider participation of stockholders in the meeting.

- Section 7, Article II, changing the deadline for the submission of proxy for the Annual Stockholders' Meeting (ASM) from "a day before the scheduled meeting" to "seven days prior to the date of the annual stockholders meeting". -To align with the SRC required periods for submission of reports.

The said proposed amendments shall be submitted to the stockholders for approval in the annual stockholders meeting this year.

#### **Voting Procedures**

Except on the election of directors, an affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. The holders of common stocks are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. Stockholders shall be entitled to vote either in person or by proxy.

#### **Method of Counting Votes**

The Board of Canvasser, constituted by the Board, assisted by the Company's external auditor, will be responsible for counting the votes.

### ***Compliance with Section 49 of the Revised Corporation Code***

Voting was done through the online poll that was launched during the annual stockholders meeting. The tabulation of the votes was done by the Board of Canvassers based on the votes received thru the online poll.

The stockholders were given the opportunity to ask their questions through the chatroom during the meeting. There were no questions raised by the stockholders.

The following matters were taken up:

1. Reading and Approval of the Minutes of the Annual Stockholders' Meeting on December 21, 2023 by the Corporate Secretary
2. Presentation and Approval of Year 2023 Audited Financial Statements
3. President's Report
4. Ratification of Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation for the Period from December 21, 2023 to July 7, 2024
5. Election of Directors for the Year 2024-2025
6. Appointment of External Auditor for Year 2024

Except for the election of officers, all the matters taken up were unanimously approved by the stockholders present during the meeting. There were only 15 nominees for the 15 board seats to be elected; the votes were tabulated as follows:

Biron, Ferjenel	-	414,181 votes
Enriquez, Amado Manuel C. Jr,	-	106,887 votes
Pacis, Ma. Editha Lou C.	-	97,944 votes
Samoro, Fredilyn G.	-	132,367 votes
Torre, Natividad M.	-	203,809 votes
Montecillo, Jasmin L.	-	94,105 votes
Orillaza, Generoso M.	-	84,661 votes
Lorenzo, Francisco N.	-	92,927 votes
Lavilla, Francis G.	-	131,375 votes
Alcover-Banal, Jean.	-	85,891 votes
Carlos, Fernando P.	-	94,019 votes
Samoy, Marietta T.	-	89,718 votes
Corpuz, Darwin P.	-	84,356 votes
Cerna-Lopez, Geanie	-	94,448 votes
Salvilla, Stephen	-	84,669 votes

Attached as Annex "D" is the list of the directors, officers and stockholders who attended the meeting.

Except on the election of directors, an affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring the stockholder's action. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. The holders of common stocks are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast through the online voting portal during the meeting. Stockholders shall be entitled to vote either in person or by proxy.

Below is the Board Performance Appraisal Report for the year 2024:

## PERFORMANCE ASSESSMENT FOR THE BOARD OF DIRECTORS

(January 1, 2024- December 31, 2024)

Good Corporate Governance Principles and Practices	Rating
1. The Board is composed of competent, hardworking members that foster the long-term success of the corporation and sustain its competitiveness and growth.	5
2. The Board is headed by a competent and qualified chairperson.	5
3. The Board practices diversity which avoids groupthink and ensures that optimal decision-making is achieved.	4
4. The Board members act on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders and all other stakeholders	4
5. The Board oversees the development of and approves the company's business and strategy and monitor its implementation, in order to sustain the company's long-term viability and strength	4
6. The Board ensures an effective succession planning program for directors, key officers and Management to ensure the continuous and consistent growth of the company.	5
7. The Board aligns the remuneration of key officers and board members with the long-term interest of the company.	5
8. The Board has adopted a formal nomination and election policy which provides for the procedures on how the Board accepts nominations.	5
9. The Board ensures the integrity of related party transactions and other unusual transactions, particularly those which pass certain threshold materiality. The Board reviews and approves material RPTs to guarantee fairness and transparency of the transactions.	4
10. The Board has an internal control system in place and a mechanism to monitor and manage potential/actual conflicts of interests of board members, management and shareholders.	5
11. The Board has organized board committees to support the effective performance of the board functions, particularly, with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration.	5
12. The Board endeavors to exercise an objective and independent judgment on all corporate affairs.	5
13. The Board has at least 2 independent directors, or at least 20% of the members of the Board, whichever is higher.	5
14. The Board regularly carries out evaluations to assess its performance as a body, and whether it possesses the right mix of backgrounds and competencies.	5
15. The Board applies high ethical standards, taking into account the interests of all stakeholders.	5
16. The Board has established corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.	5

The current members of the Board of Directors have no existing contract and transaction with the Company as of March 30, 2025.

Except for per diem (P50,000.00/board meeting and P7,000.00 per committee meeting) for each director, there are no bonuses, profit sharing, or other compensation plans, contract, or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate.

The Company has not yet declared dividends since its incorporation in 2016, considering that it does not have earnings yet. As stated in the Company's By-Laws, dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by the stockholders as often and at such times as may be decided by the Board of Directors.

The directors have no self-dealing or related party transactions as of March 31, 2025.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of General Santos on May 23, 2025..

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

By:

  
**GEANIE A. CERNA-LOPEZ**  
*Corporate Secretary*

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.  
Second Floor, Genmedex, Santiago Boulevard,  
General Santos City 9500

Attention: The Corporate Secretary



## ANNEX "A"

### INCUMBENT BOARD OF DIRECTORS/NOMINEES:

#### **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, 2015
- Founding Chairman of the Board; ACE Medical Center Pateros, Pateros, Metro Manila, 2010 to Present
- Founding Chairman of the Board; ACE Medical Center Quezon City, 2012
- Founding Chairman of the Board; ACE Medical Center Malolos, 2017 to Present
- Founding Chairman of the Board; ACE Medical Center Mandaluyong, 2016
- Founding Chairman of the Board; ACE Medical Center Legazpi, 2016
- Founding Chairman of the Board; ACE Medical Center Palawan, 2017
- Founding Chairman of the Board; ACE Medical Center Cebu, 2014
- Founding Chairman of the Board; ACE Medical Center Tacloban, 2014
- Founding Chairman of the Board; ACE Medical Center Bohol, 2014
- Founding Chairman of the Board; ACE Dumaguete Doctors, Inc, 2015-2023, 2024 to Present
- Founding Chairman of the Board; ACE Medical Center Bayawan, 2016
- Founding Chairman of the Board; ACE Medical Center Dipolog, 2016
- Founding Chairman of the Board; ACE Medical Center CDO, 2016
- Founding Chairman of the Board; ACE Medical Center General Santos, 2016 to December 20, 2023
- Founding Chairman of the Board; ACE Medical Center Butuan, 2017
- Founding Chairman of the Board; ACE Medical Center Sariaya, 2020
- Founding Chairman of the Board; Sta. Maria Medical Center Inc, 2020
- Founding Chairman of the Board; Mt. Samat Medical Center, 2020
- Founding Chairman of the Board; San Jose del Monte Muzon Medical Center, 2019
- Founding Chairman of the Board; ACE Medical Center Pangasinan, 2019
- Founding Chairman of the Board; ACE Medical Center Hundred Islands, 2022
- Founding Chairman of the Board; ACE San Miguel Bulacan Medical Center, 2022
- Founding Chairman of the Board; ACE St. June Medical Center Center La Union, 2023 to Present
- Founding Chairman of the Board; ACE Medical Center Tuguegarao, 2017
- Founding Chairman of the Board; Tagum Global Medical Center, 2018
- Founding Chairman of the Board; St. Lawrence of Balagtas Medical Center, 2021
- Founding Chairman of the Board; St. Joseph of Benguet Medical Center, 2024
- Founding Chairman of the Board; St. James Medical Center, Santiago City, 2022

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

- Founding Member/Board Of Director-Healthlink Iloilo Inc, December 13, 2004 to Present
- Vice President- Healthlink Iloilo Inc, 2025
- Founding Member/Board Of Director- Md Check-Iloilo Inc, 2009 to Present
- Chief Operating Officer, Md Check-Iloilo Inc, 2009 to Present
- Founding Member- APMC-Aklan, 2017
- President/Founding Member – Acemc – Butuan Inc, 2016 to Present
- President – Acemc – Gensan Inc, June 10, 2016 to Present

- Founding Member/Board Of Director – Acemc –Iloilo Inc, 2016 to Present
- President – Phil Obstetrical & Gynecological Society-Panay Chapter-2015
- Vice President – Phil Obstetrical & Gynecological Society-Panay Chapter-2014
- Professorial Lecturer – West Visayas State University College Of Medicine, 1995 to Present

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

- President, General Santos Medical Society, July 1, 1994 to June 30, 1995
- President, The Rotary Club Of Metro Dadiangas, July1, 1995 to June 30, 1996
- Assistant Governor, Rotary District 3860, July 1, 2000 to June 30, 2001
- Multiple Paul Harris Fellow, Rotary International, 2005 to Present
- Chairman, Committee On Ethics, St. Elizabeth Hospital January 1, 2002 to Present
- Medical Director, Mindanao Medical Center, January 1, 2005 to Dec 31, 2007
- 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. 2010 to 2011 and 2012 to 2013
- President, General Santos City Medical Society, 2006-2007
- Past President, Socsargen Internist Society, 2014 to 2015
- 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, 2022 to Present

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

- Member, Philippine Medical Association, 2012-Present
- Founder, ACE Medical Center-Gensan Inc., July 2016 to Present
- Corporate Treasurer, ACE Medical Center-Gensan Inc. December 21, 2023 to Present
- Visiting Consultant,, Mindanao Medical Center, 2012-Present
- Visiting Consultant, General Santos Doctors Hospital, 2012-Present
- Visiting Consultant,, St. Elizabeth Hospital, 2012-Present
- Visiting Consultant,, Socsargen County Hospital, 2012-Present
- Visiting Consultant, Gensan Medical Center, 2019-Present
- Visiting Consultant,, Sarangani Medical Center, 2020-Present

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

- President, ACE Medical Center Mandaluyong, 2016-Present
- President, ACE Bayawan Hospital, 2017-Present
- Management Consultant, Unihealth Paranaque Hospital And Med Center, 2022 to Present
- Finance Head, ACE Medical Center Muntinlupa, 2025 to Present
- HMO Head, Las Pinas City Medical Center, 2025 to Present

**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, 2015-2016
- Hospital Administrator, Paranaque Doctors Hospital, 2016-2017
- Past President, Medical Center Muntinlupa, 2016-2017, 2019-2020
- President, Paranaque Doctors Hospital, 2017-2018
- President, Las Pinas City Medical Center, 2018-2019
- President, Medical Center Muntinlupa – 2019-2020
- Chairwoman, Medical Center Muntinlupa – 2021-2022
- Medical Director, Unihealth Paranaque Hospital, 2017 up to 2023
- President, ACE Medical Center-Cebu, 2016-2019
- President, Unihealth Paranaque Hospital, President, 2019-2021

- Corporate Secretary, ACE Medical Center-Mandaluyong, 2016-Present
- Corporate Secretary, ACE Medical Center-Bayawan, 2016-2024
- Corporate Secretary, ACE Medical Center-Gensan, December 21, 2023 to Present
- Chairman, ACE Medical Center-Butuan, 2022-Present
- Chairman, ACE Medical Center-CDO, 2022-Present
- President, ACE Medical Center-Bayawan, 2025-2026
- Medical Director, Medical Center Muntinlupa 2023 to Present
- Board of Director, ACE Medical Center-Palawan, 2017-Present
- Board of Director, ACE Medical Center-Tuguegarao, 2017-Present
- Board of Director, ACE Medical Center-Pangasinan, 2019-Present
- Board of Director, ACE Medical Center-Sariraya, 2020-Present
- Board of Director, ACE Medical Center-Tagum, 2018-Present
- Board of Director, ACE Medical Center-San Jose Del Monte, 2022-Present
- Board of Director, ACE Medical Center-Gensan, 2016-Present

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

- Director, ACE Baypointe Hospital and Medical Center, March 2024 to Present
- Director, ACE Medical Center Bohol, September 2024 to Present
- Independent Director, ACE Dumaguete Doctors, June 2024 to Present
- Independent Director, ACE Medical Center Cebu, March 2024 to Present
- Director, ACE Medical Center Gensan, August 2016 to Present
- Former Director, ACE Medical Center Tacloban, June 2024 to 2025
- Former Director, ACE Tagum Global and Medical Center, June 2023 to 2024
- Head, Engineering and Maintenance, Unihealth Paranaque Hospital and Medical Center, June 2023 to Present

**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, December 3, 1986 to Present
- Diplomate, Philippine Pediatric Society April 5, 2014 to May 18, 2021
- Fellow, Philippine Pediatric Society May 19, 2021 to Present
- Member, Philippines Medical Women Association December 3, 1986 to Present
- Member, Philippine Medical Association-General Santos City Chapter 1997 to Present
- Member, Philippine College Of Occupational Medicine 1998 to Present

- Member, Haggai International 2009 to present
- Member of the Board of Trustees, Philippine Haggai Institute Alumni Association, Inc 2015 to Present
- President, Philippine Haggai Alumni Association, Inc 2023 to Present
- Member, Healthcare Christian Fellowship International 1997 to Present
- Corporate Secretary, General Santos Doctors Medical School Foundation, Inc 2018 to Present
- President, Royal Family Christian Fellowship of General Santos City, Inc. 2015 to Present
- President, Pediatric Association of General Santos City 2024 to Present

**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, 2012 to Present
- 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, 2005 to Present
- 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, 2016 to Present
- Diplomate, Philippine Board of Orthopedics, 2014
- Fellow, Philippine Orthopedic Association, 2016 to Present
- 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 University General Santos City College of Medicine since 2020
- Fellow, Philippine Spine Society, 2017 to Present
- Member, Asia Pacific Spine Society, 2017 to Present

**16. AGNES JEAN M. VILLAFLORES – 60 years old, Filipino**

- Member, Philippine Medical Association, since 1991
- Member, Philippine Specialty Board Of Internal Medicine, since 1997
- Member, Philippine College Of Physicians, since 1997
- Member, Philippine Society Of Nephrology, since 1998
- Member, International Society Of Nephrology, since 2017
- Medical Director – M3 Dialysis Center - 2007 – Present
- Medical Director – RSI- 2016 – November 2020

- Asst Training Officer, Dept. Of Internal Med. – Wvsumc
- Training Officer Department Of Medicine - Wvsumc- 2018 -Present
- Head, Section Of Nephrology Wvsumc- November 2021 – Present
- Head Wvsumc Kidney Unit - November 2021 -Present
- Professional Lecturer – College Of Medicine - WVSU
- Medical Specialist 111 - WVSUMC June 2024 – Present
- Director, Medical Services Asia Pacific Medical Center Iloilo - December 2023 – Present
- Founder, Allied Care Experts (ACE) Medical Center- GENSAN, Inc., (2016- present)

#### **INCUMBENT OFFICERS**

1. **FERNANDO P. CARLOS** – Chairman, see foregoing Director's Profile
2. **FREDILYN G. SAMORO** - President, see foregoing Director's Profile
3. **FRANCISCO N. LORENZO** – Vice Chairman, 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** – Corporate 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 Corporate Treasurer, see foregoing Director's Profile

## ANNEX “B”

### MANAGEMENT REPORT

#### 1. Description of 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, General 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, General 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	1 <sup>st</sup> 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 planned 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 December 2026 barring unforeseen events. As of December 31, 2024, completion is at 50.65%

The principal suppliers of the Company for its equipment and essential raw materials are the following:

Supplier	Address	Material/Equipment
RR Sagaray Engineering and Construction Supply	Block 9 Carmelite Rd, Buhangin, Davao City, Davao del Sur	Civil & Structural Works
Tech A Byte Enterprises	Door 5, La Ancilar Hotel, Bonifacio St., Davao City	Supply and Installation of Elevators
RR Sagaray Engineering and Construction Supply	Block 9 Carmelite Rd, Buhangin, Davao City, Davao del Sur	Plumbing & Sanitary Works
RPR 1030 Corp.	MMQF+QCJ, Malvar Street, Tacurong City, Sultan Kudarat	Fire Protection Works
Miraga	Quezon City	Supply and Installation of Sewage Treatment Plant
PRISM	General Santos City	Production of IFC Drawings Due to Value Eng'g. Design Changes in Arch., Mech. & Electrical Trades
RR Sagaray Engineering and Construction Supply	Block 9 Carmelite Rd, Buhangin, Davao City, Davao del Sur	External AAC Walls
Philips Glass & Aluminum Supply, Inc.	96 Ramon Magsaysay Street, Barangay 30-C, Davao City	External Glazing, Glass Windows and Doors
Brun Airconditioner	Quezon City	Mechanical Works
JFS Electrical Corporation	Bock 2 Lot 7, Gate 23 Central Park Ave, Talomo, Davao City	Electrical Works

Synchronized Solutions Inc.	Unit 3-A, Cluster 5, San Francisco Gardens, Boni Avenue, Mandaluyon	Electronics/Auxiliary Works
Fumaco	35 Pleasant View Drive, 165 Zone 15, Caloocan, 1420 Metro Manila	Supply of Lighting Fixtures and Wiring Devices
Spurway Enterprises	98 4th St, New Manila, Quezon City, Metro Manila	Interior AAC Walls
		Drywall and Ceiling Works
		Vinyl Flooring
Kintar Power	#8 H Abellana St, Brgy Canduman, Mandaue City	Supply of Electrical Panels
GenDiesel	Upper Puting Bato Street, Calumpang, 9500, General Santos City	Supply of Generator Sets
Philips Glass & Aluminum Supply, Inc.	96 Ramon Magsaysay Street, Barangay 30-C, Davao City	Interior Glass
Bani Trade	Quezon City	Supply of Transformer
Phelps Dodge	2F BCS PRIME Bldg., 2297 Chino Roces Ave. Ext., Makati City	Supply of Electrical Wires & Cables
High Twelve Construction Supply	Gen. Santos City	Supply of Integrated Waterproofing
PFC Print Depot	National Highway, General Santos City	Installation of Signage

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.

## 2. Securities of the Registrant

### Market Price, Dividend and Related Stockholder Matters

The securities of Allied Care Experts (ACE) Medical Center-Gensan Inc. are marketed through its organic salaried employees who serve as salesmen. 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	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00

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

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

There are approximately 44 holders of founders shares and 1,802 holders of common shares of the Company as of March 31, 2025.

Please refer to Annex "C" page 41 for the list of top 20 stockholders as of March 31, 2025.

No dividends were declared in 2024, 2023 and 2022.

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.

## 3. Management's Discussion and Analysis or Plan of Operation

### As of March 31, 2025

(March 31, 2025 vs March 31, 2024)

Statement Of Comprehensive Income (Loss)	For the Period Ending March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
Revenue	0	0	0	0.00%	NA	NA
Direct Costs	0	0	0	0.00%	NA	NA
Gross Profits	0	0	0	0.00%	NA	NA
Other Income	844,212	610	843,602	138295.43%	NA	NA
Gross Income	844,212	610	843,602	138295.43%	NA	NA
Gen. and Administrative Costs	3,685,216	1,808,681	1,876,535	103.75%	NA	NA
Income (Loss) from Operations	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA

Finance Cost	0	0	0	0.00%	NA	NA
Net Income (Loss) Before Income Tax	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA
Provision for Income Tax	0	0	0	0.00%	NA	NA
Net Income (Loss) for the Year	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA
Other Income (Loss)	0	0	0	0.00%	NA	NA
<b>Total Comprehensive Income (Loss)</b>	<b>(2,841,003)</b>	<b>(1,808,071)</b>	<b>(1,032,932)</b>	<b>57.13%</b>	<b>NA</b>	<b>NA</b>

#### OTHER INCOME

Recorded as other income during the period is the interest on bank deposits + the interest received from the amount lent by the company.

#### GENERAL and ADMINISTRATIVE EXPENSES

These are the expenses incurred by the company during the construction of the hospital. The summary of these expenses are as follows:

General and Administrative Costs	For the Period Ending March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
Salaries and Wages	2,258,098	471,646	1,786,452	378.77%	61.27%	26.07%
Honorarium	532,000	91,000	441,000	484.62%	14.44%	5.03%
Transpo & Travel Expenses	178,912	146,993	31,919	21.71%	4.85%	8.13%
Meals and Meeting Expenses	18,103	0	18,103	0.00%	0.49%	0.00%
Legal Fees	185,000	117,000	68,000	58.12%	5.02%	6.47%
Ads & Mktg Expenses	89,689	98,009	-8,320	-8.49%	2.43%	5.42%
Repairs/Maintenance	68,193	37,887	30,306	79.99%	1.85%	2.09%
Rent Expenses	61,412	68,790	-7,378	-10.72%	1.67%	3.80%
Security Services	47,343	35,507	11,836	0.00%	1.28%	1.96%
Taxes & Licenses	37,716	497,734	-460,018	-92.42%	1.02%	27.52%
13th Month Pay Expense	36,646	33,913	2,733	8.06%	0.99%	1.87%
Stationeries & Office Supplies	33,129	38,840	-5,711	0.00%	0.90%	2.15%
Depreciation	31,950	35,921	-3,971	-11.05%	0.87%	1.99%
SSS, PHIC, HDMF Contributions	30,883	38,615	-7,733	-20.02%	0.84%	2.13%
Communication, Light, Water Expenses	29,954	35,021	-5,067	-14.47%	0.81%	1.94%
Professional Fees	21,789	38,158	-16,369	-42.90%	0.59%	2.11%
Fuel and Lubricants	13,030	9,250	3,780	40.86%	0.35%	0.51%
Others	7,000	0	7,000	0.00%	0.19%	0.00%
Bank Charges	2,450	690	1,760	255.07%	0.07%	0.04%
Miscellaneous	1,073	13,963	-12,890	-92.32%	0.03%	0.77%
Postage & Courier Services	845	0	845	0.00%	0.02%	0.00%
	3,685,216	1,808,937	1,876,279	103.72%	100.00%	100.00%

#### COMPREHENSIVE INCOME / (LOSS)

This is the reported losses of the company for the 3-month period. This is mainly due to the general and administrative expenses incurred which are in relation to the construction of the hospital building.

STATEMENT OF FINANCIAL POSITION	As of March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	449,900	1,426,332	(976,433)	-68.46%	0.06%	0.20%
Advances and Other Receivables	1,323,932	6,631,973	(5,308,041)	-80.04%	0.18%	0.92%
Prepayments	0	16,275	(16,275)	-100.00%	0.00%	0.00%
Rental Deposits	14,000	14,000	0	0.00%	0.00%	0.00%

	1,787,832	8,088,580	(6,300,748)	-77.90%	0.24%	1.12%
<b>Non-Current Assets</b>						
Construction-In-Progress	629,365,122	595,008,477	34,356,645	5.77%	84.13%	82.62%
Property and Equipment (net)	90,862,037	90,945,612	(83,575)	-0.09%	12.15%	12.63%
Advances to Suppliers & Contractors	26,099,000	26,099,000	0	0.00%	3.49%	3.62%
	746,326,159	712,053,089	34,273,069	4.81%	99.76%	98.88%
<b>TOTAL ASSETS</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>27,972,321</b>	<b>3.88%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Other Liabilities	62,161,725	50,224,066	11,937,659	23.77%	8.31%	6.97%
	<b>62,161,725</b>	<b>50,224,066</b>	<b>11,937,659</b>	<b>23.77%</b>	<b>8.31%</b>	<b>6.97%</b>
<b>Non-Current Liabilities</b>						
Notes Payable	214,292,000	214,292,000	0	0.00%	28.64%	29.76%
Advances from Shareholders	42,175,342	27,750,000	14,425,342	51.98%	5.64%	3.85%
	256,467,342	242,042,000	14,425,342	5.96%	34.28%	33.61%
<b>TOTAL LIABILITIES</b>	<b>318,629,067</b>	<b>292,266,066</b>	<b>26,363,001</b>	<b>9.02%</b>	<b>42.59%</b>	<b>40.58%</b>
<b>Equity</b>						
Share Capital	166,120,000	162,120,000	4,000,000	2.47%	22.21%	22.51%
Share Premium (net)	310,905,445	294,863,533	16,041,912	5.44%	41.56%	40.95%
Revaluation Increment on Land	51,301,213	51,301,213	0	0.00%	6.86%	7.12%
Deficit	(98,841,734)	(80,409,142)	(18,432,592)	22.92%	-13.21%	-11.17%
<b>TOTAL EQUITY</b>	<b>429,484,923</b>	<b>427,875,604</b>	<b>1,609,320</b>	<b>0.38%</b>	<b>57.41%</b>	<b>59.42%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>27,972,321</b>	<b>3.88%</b>	<b>100.00%</b>	<b>100.00%</b>

#### CASH

The company is still under construction that is why all the funds generated are channeled to the building of the hospital. Thus, month-end fund balances are low.

#### ADVANCES AND OTHER RECEIVABLES

Funds that were previously lent to another entity were already collected, thus, the lower quarter-end balance of the account.

#### RENTAL DEPOSITS

This represents the amount deposited for the staff house rentals.

#### CONSTRUCTION -IN-PROGRESS

This is the total amount used to finance the construction of the Hospital Building, so far. Compared to last year, the total amount increased by P34.4M

#### PROPERTY AND EQUIPMENT

The amount of property & equipment slightly decreased by P83.5K. This decreased is mainly because of the depreciation recognized periodically.

#### ACCOUNTS PAYABLE and OTHER LIABILITIES

The payable account is composed of the following: Retention Payable - P23.9M (38.5%); Accrued Expenses - P32.5M (52.39%); Accounts Payable - P1.03M (1.66%); Accrued Interest Payable - P 4.03M (6.48%); Statutory Liabilities - P52.7K (0.08%); and Other AP - P549K (0.88%). This amount is P11.9M higher than the previous year's balance.

#### NOTES PAYABLE

No new releases were received from Land Bank of the Philippines

#### ADVANCES FROM SHAREHOLDERS

To augment the company's need for funding, some of the shareholders advanced some funds finance the construction of the building. As of March 2025, the account balance stands at P42.175M. This is P14.425M higher than last year's quarter-end balance.

#### SHARE CAPITAL

95 blocks were recorded to be sold from the previous year until this quarter-end of March 2025. This is in addition to the additional partial payments made by some shareholders that totaled P3.05M.

#### SHARE PREMIUM

These are the additional amounts collected for the sale of shares at a premium. Last year's balance of the account was at P294.86M while this quarter-end, the balance was at P310.9M or an increase of P16.04M.

#### REVALUATION INCREMENT ON LAND

No new appraisal was made for the property of the company.

#### DEFICIT

Given that there is no operations yet, the company has not recorded operational income. To date, the company has been reflecting deficits due to the general and administrative expenses incurred in relation to the construction and administration of the hospital building.

#### KEY PERFORMANCE INDICATORS

KPIs	As of March 31		
	2025	2024	2023
<b>Liquidity Ratios</b>			
<b>Quick Asset Ratio</b>			
Cash + Cash Equivalents + Current Receivables / Current Liabilities	0.03 : 1	0.16 : 1	0.17 : 1
	The quick asset ratio of the company does not show us the good numbers that we want to see. This is mainly because the company is still in the construction phase and liquid resources are a little bit scarce.		
<b>Current Ratio</b>			
Current Assets / Current Liabilities	0.03 : 1	0.16 : 1	0.17 : 1
	The company's current assets are a bit low on quarter-end balances, that is the reason why the current ratio does not reflect positive numbers. We are still in the construction phase, thus, funding is quite a challenge.		
<b>Solvency Ratios</b>			
<b>Debt-to-Equity Ratio</b>			
Long Term Debt / Equity	0.60 : 1	0.57 : 1	0.62: 1
	To the average, the long-term debts of the company take 60% of the company's total equity. This may still be acceptable, however, moving forward, the continuous growth of the liabilities may affect the future performance indicators.		
<b>Profitability Ratios</b>			
<b>Net Profit Margin Ratio</b>			
Net Income / Sales	0	0	0
	Financial data not yet available		
<b>Return on Equity</b>			

Net Income / Stockholder's Equity

0 0 0

Financial data not yet available

## Leverage

### Debt-to-Total Asset Ratio

Total Debts / Total Assets

0.43 : 1

0.41 : 1

0.42 : 1

The total liabilities stand at more or less 42% of the total resources of the company. However, it must be noted that these company assets are fixed assets and not readily convertible to cash.

### Asset-to-Equity Ratio

Total Assets / Equity

1.74 : 1

1.68 : 1

1.72 : 1

The company's equity account for the 58% of the total resources of the company. This figure could very well be boosted if more shares will be sold via IPO.

## Interest Rate Coverage Ratio

### Interest Rate Coverage Ratio

Earnings Before Interests & Taxes / Interest Expense

0 0 0

Financial data not yet available

## For the Full Fiscal Years

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
<b>Total Comprehensive Income (Loss)</b>	<b>(17,399,660)</b>	<b>(21,013,923)</b>	<b>3,614,263</b>	<b>17.20%</b>	<b>NA</b>	<b>NA</b>

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.

GENERAL 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
<b>ASSETS</b>						
<b>Current Assets</b>						
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%
<b>Non-Current Assets</b>						
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%
<b>TOTAL ASSETS</b>	<b>741,967,964</b>	<b>707,768,507</b>	<b>34,199,457</b>	<b>4.83%</b>	<b>100.00%</b>	<b>100.00%</b>

## 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%
<b>62,352,999</b>	<b>48,541,648</b>	<b>13,811,351</b>	<b>28.45%</b>	<b>8.40%</b>	<b>6.86%</b>

### Non-Current Liabilities

Notes Payable

214,292,000	214,292,000	0	0.00%	28.88%	30.28%
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Advances from Shareholders

35,825,000	27,750,000	8,075,000	29.10%	4.83%	3.92%
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250,117,000	242,042,000	8,075,000	3.34%	33.71%	34.20%
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### TOTAL LIABILITIES

<b>312,469,999</b>	<b>290,583,648</b>	<b>21,886,351</b>	<b>7.53%</b>	<b>42.11%</b>	<b>41.06%</b>
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### Equity

Share Capital

164,960,000	157,470,000	7,490,000	4.76%	22.23%	22.25%
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Share Premium (net)

309,237,483	287,014,717	22,222,766	7.74%	41.68%	40.55%
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Revaluation Increment on Land

51,301,213	51,301,213	0	0.00%	6.91%	7.25%
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Deficit

(96,000,731)	(78,601,071)	(17,399,660)	22.14%	-12.94%	-11.11%
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### TOTAL EQUITY

<b>429,497,965</b>	<b>417,184,859</b>	<b>12,313,106</b>	<b>2.95%</b>	<b>57.89%</b>	<b>58.94%</b>
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### TOTAL LIABILITIES AND EQUITY

<b>741,967,964</b>	<b>707,768,507</b>	<b>34,199,457</b>	<b>4.83%</b>	<b>100.00%</b>	<b>100.00%</b>
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## 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.

## 2023 v 2022

STATEMENT OF COMPREHENSIVE INCOME (LOSS)	As of December31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Difference	%-age	2023	2022
Revenue	0	0	0	0.00%	NA	NA
Direct Costs	0	0	0	0.00%	NA	NA
Gross Profits	0	0	0	0.00%	NA	NA
Other Income	3,869	4,010	-141	-3.52%	NA	NA
Gross Income	3,869	4,010	-141	-3.52%	NA	NA
Gen. and Administrative Costs	21,017,792	15,782,835	5,234,957	33.17%	NA	NA
Income (Loss) from Operations	-21,013,923	-15,778,825	-5,235,098	33.18%	NA	NA
Finance Cost	0	0	0	0.00%	NA	NA
Net Income (Loss) Before Income Tax	-21,013,923	-15,778,825	-5,235,098	33.18%	NA	NA
Provision for Income Tax	0	0	0	0.00%	NA	NA
Net Income (Loss) for the Year	-21,013,923	-15,778,825	-5,235,098	33.18%	NA	NA

Other Income (Loss)	0	0	0	0.00%	NA	NA
Total Comprehensive Income (Loss)	-21,013,923	-15,778,825	-5,235,098	33.18%	NA	NA

### Other Income

Other income recognized by the company is mainly interest income from bank deposits.

### General and Administrative Costs

General and Administrative Costs are expenses incurred by the company in relation to the general and administrative course of doing business. Among those included are salaries and wages of employees and officers, professional fees, honorarium, transportation expenses, and etc. For the year 2023 and 2022, hereunder is the comparative schedule of the company's general and administrative expenses:

General and Administrative Costs	As of December31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Difference	%-age	2023	2022
Salaries, Wages, and Allowances	9,328,503	9,352,577	-24,074	-0.26%	44.38%	59.26%
Honorarium	8,147,500	3,885,000	4,262,500	109.72%	38.76%	24.62%
Professional Fees	997,025	817,710	179,315	21.93%	4.74%	5.18%
Transportation and Travel Expenses	726,209	583,305	142,904	0.00%	3.46%	3.70%
Rentals	283,853	180,000	103,853	57.70%	1.35%	1.14%
SSS, PHIC, & HGMF Contributions	207,658	110,465	97,193	87.99%	0.99%	0.70%
Communication, Light, and Water	146,857	16,508	130,349	789.61%	0.70%	0.10%
Depreciation	133,141	96,723	36,418	37.65%	0.63%	0.61%
Stationeries & Office Supplies	125,291	144,094	-18,803	-13.05%	0.60%	0.91%
Board Meeting and Conferences	123,514	31,283	92,231	294.83%	0.59%	0.20%
Taxes and Licenses	105,546	139,368	-33,822	-24.27%	0.50%	0.88%
Advertising, Promotions, and Marketing	328,707	192,266	136,441	70.96%	1.56%	1.22%
Repairs and Maintenance	83,257	9,500	73,757	0.00%	0.40%	0.06%
Seminars and Trainings	65,163	0	65,163	0.00%	0.31%	0.00%
Miscellaneous Expenses	215,568	224,036	-8,468	-3.78%	1.03%	1.42%
	21,017,792	15,782,835	5,234,957	33.17%	100.00%	100.00%

### Comprehensive Income (Loss)

The loss recognized by the company during the operation year 2023. It is a given that the company would incur losses because it is not yet operating. And the interest income earned is very minimal to cover the annual expenses of the company.

STATEMENT OF FINANCIAL POSITION	As of December31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Difference	%-age	2023	2022
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	4,140,404	2,062,256	2,078,148	100.77%	0.58%	0.32%
Advances and Other Receivables	7,645,373	104,538	7,540,835	7213.49%	1.08%	0.02%
Prepayments	29,500	48,000	-18,500	-38.54%	0.00%	0.01%
	11,815,277	2,214,794	9,600,483	433.47%	1.67%	0.34%
<b>Non-Current Assets</b>						
Construction-In-Progress	578,962,052	531,051,726	47,910,326	9.02%	81.80%	81.88%
Property and Equipment (net)	90,892,178	90,970,831	-78,653	-0.09%	12.84%	14.03%
Advances to Contractors and Suppliers	26,099,000	24,369,000	1,730,000	7.10%	3.69%	3.76%
	695,953,230	646,391,557	49,561,673	7.67%	98.33%	99.66%
<b>TOTAL ASSETS</b>	<b>707,768,507</b>	<b>648,606,351</b>	<b>59,162,156</b>	<b>9.12%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Other Liabilities	48,541,648	35,151,573	13,390,075	38.09%	6.86%	5.42%
	48,541,648	35,151,573	13,390,075	38.09%	6.86%	5.42%
<b>Non-Current Liabilities</b>						
Notes Payable	214,292,000	214,292,000	0	0.00%	30.28%	33.04%
Advances from Shareholders	27,750,000	35,455,567	-7,705,567	-21.73%	3.92%	5.47%
	242,042,000	249,747,567	-7,705,567	-3.09%	34.20%	38.51%
<b>TOTAL LIABILITIES</b>	<b>290,583,648</b>	<b>284,899,140</b>	<b>5,684,508</b>	<b>2.00%</b>	<b>41.06%</b>	<b>43.92%</b>
<b>Equity</b>						
Share Capital	157,470,000	153,520,000	3,950,000	2.57%	22.25%	23.67%

Share Premium (net)	287,014,717	226,034,717	60,980,000	26.98%	40.55%	34.85%
Revaluation Increment on Land	51,301,213	51,301,213	0	0.00%	7.25%	7.91%
Deficit	-78,601,071	-67,148,719	-11,452,352	17.06%	-11.11%	-10.35%
<b>TOTAL EQUITY</b>	<b>417,184,859</b>	<b>363,707,211</b>	<b>53,477,648</b>	<b>14.70%</b>	<b>58.94%</b>	<b>56.08%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>707,768,507</b>	<b>648,606,351</b>	<b>59,162,156</b>	<b>9.12%</b>	<b>100.00%</b>	<b>100.00%</b>

### Cash

There is a little struggle in keeping a sizeable amount of cash in the banks because the company is still on the process of constructing its hospital which is expected to be done next year.

### Accounts Receivable

There is a huge difference in the accounts receivable this year as compared to last year's balance. During the year, the company lent some P7.0M to ACE MC Butuan to help out with their pressing cash requirement.

### Prepayments

Amount recorded as prepayment pertain to the rental payment made in advance.

### Advances to Suppliers and contractors

These are advances payments made for the machines to be purchased when the hospital opens. This was made to lock in the price of the machine.

### Property and Equipment (net)

Property, Plant, & Equipment account includes land cost, some machines and equipment such as aircons and computers that are significant and useful during construction. No hospital equipment yet.

### Construction-In-Progress

These are expenses related to the construction of the hospital building. When the time comes that its finished, the whole figure will be converted to Building Cost.

### Accounts Payable and Other Liabilities

Additional accrued expenses were taken up for 2023 increasing the balance to P21.5M from 10.6M. This took-up 44% of the total liabilities. Also, retention payables amounted to P22.6M taking up 47% of the total. Other liabilities pooled in for the 9% included statutory liabilities and other payables.

### Notes Payable

As at the end of the year, the company has a total bank liability of P214,292,000. This has not changed since 2022.

### Advances from Shareholders

These are the amount of advances made by founders, shareholders, and other related parties in favor of the company in order to augment its temporary need for more cash due to contractual obligations.

### Share Capital

2023's share capital ending balance increased by 3,950 shares from last year's total. Hopefully, more of the shares would be sold so as to improve the company's equity portfolio.

### Share Premium

The sale of securities were made at a premium, thus, this money is taken up under the share premium account. This year 2023, additional P60.9M were taken up in favor of the share premium account.

### Deficits

The deficit of the company increased by 17% (P11.4M) compared to last year's balance. This is quite expected because the hospital is still being constructed and administrative and general expenses continue to pile up.

## Material Changes and Financial Condition

December 2024	December 2023	December 2022
<b>Cash and Cash Equivalent</b>		
The hospital is still on construction, all funds generated are channeled to this endeavor, thus, the low balances on current accounts.	Building construction is still on going. The reason why cash balance is still on low level.	Cash balances have always been the most used asset of the company especially during construction, this is the main reason why cash balance is maintained low.

### **Advances, Prepayments, and Other Accounts Receivables**

Advances made to suppliers and contractors are basically deposits made for agreed contracts. These balances may be recouped once the billings from the contractors are received. We deduct it from payments to be made their favor.

These includes among others advances to suppliers and contractors that normally are recouped via gradual deductions from their billings. Other receivables would include specific funds released for a project or activity, this are subject to liquidation at the end of the activity or program.

These are advances intended for specific operational purpose, and are liquidated once the activity of the program is done or finished. Those that are advanced to suppliers or contractors are gradually recouped via deductions from the billings made by the contractors and suppliers.

### **Property and Equipment (net)**

There were no major machine acquisitions in 2024, thus, there is no much movement in the PPE account.

No material changes in the property and equipment as there are no much acquisitions were during the year, except for a couple of laptops and a printer.

Other than a set of computer and printer, there has been no new purchases of equipment or machineries during the year.

### **Construction-In-Progress**

Construction of the building still on-going, however, it slowed down a bit to give way to structural changes that is required by DOH. As of this period, total expenses have been P623M.

Construction of the building still on-going, however, it slowed down a bit to give way to structural changes that is required by DOH. As of this period, total expenses have been P579M.

Building construction cost increased by P129M from year 2021 to year 2022. Building completion is now at 42.82%.

### **Accounts Payable and Other Liabilities**

Accrued expense increased due to take up of expenses for future payment. To date, Current accounts payable amount to P62.4M.

The company's payables would include: Retention payables (22.6M), Accrued Expenses (10.5M), Accrued Interest payable (854K), other accounts payable (14.25M) and governmental liabilities (299K).

Retention payable amounting to P21.1M make up for 60% of the payables and other liability account. Accrued expense is 30%, other accounts payable is 7% and the rest comprise the remaining 3%.

### **Notes Payable**

Beginning 2020, Land Bank of the Philippines were able to release a total of P214.292M loans in favor of the company. A total of P22.4M were released in 2020 and an additional loan totaling P154.8M were received from LBP in 2021. In 2022, another release of P37.1M was received. Present loan balance with LBP is P214,292,000. And there has been no new releases from the bank since end of 2023.

### **Advances from Shareholders**

There were some amounts recorded as advances from shareholders in in 2020, however, all these advances have already been paid off in 2021. The proceeds of these advances were used to help in financing the hospital construction.

Further, in 2022, some founders, again, lent money to the corporation to answer its financial woes. From then 'till now, the total advances received from the founders/investors is P35,825M.

### **Share Capital**

Paid up capital shares now increased to 164,960. This is 7,490 shares higher than last year. Additional shares were sold via IPO and other founders also paid partially their investment shares.

Capital shares recorded per books now stand at P157.47M (157,470 shares). This is 3,950 shares higher than the previous year. Which is basically 65.61% of the total shares outstanding of 240,000 shares.

Only 1,570 shares were sold in the year 2022. This was a little low output given the more relaxed situation of Covid 19. But this is just a temporary slump because the founders vowed to improve the output for 2023.

**Share Premium**

Share premium increased by P22.2M as at year end 2024.	Additional P60.98M were added as share premium in 2023, given the sale and collections made.	Additional P55.74M were added as share premium during the year, given the sale and collection made.
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**Revaluation Increment on Land**

In 2019, the company engaged an independent appraiser to determine the land's fair market value. It was ascertained that the property's FMV is P90,635,500. Increment for revaluation amounting to P51,301,213 has since been reflected in the books of the company.

**Deficit**

The hospital is yet to operate. All the expenses of the company (general and administrative expenses), cause the deficit that was recorded.

The Company originally intended to commence its business operations in 2023 when its hospital facility will be completed. The original target completion has not been met due to changes in the structural design of the building which includes removal of helipad, as well as delay in the delivery of construction materials considering the movement restrictions due to the COVID 19 Pandemic. Further, there has been additional structural plan alterations and changes due to the occurrence of natural causes, such as earthquakes.

There is no expected purchase of significant equipment considering that the hospital is still under construction.

There is no expected significant increase in number of employees.

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 events nor any default acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the company.

The company has no investments on foreign securities.

There is no product and research development yet.

**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 the 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**

2023 was a little bit slow for the company in so many ways, in terms of construction and even sale of securities. During the year, General Santos City was also hit by a very strong earthquake that prompted the management to rethink for some structural adjustments on the hospital building so as not to compromise the safety of all stakeholders. Just like the year 2022, important portions of the construction are being prioritized so as not to jeopardize the adjustments introduced. Sale of securities continue.

## 2022 compared to 2021

Sale of securities has been a little slow comparing the outputs of year 2022 and year 2021. However, construction is still moving and hoping to finish in time, after all the changes introduced due to the infectious disease preparedness required by the DOH.

## Financial and Other related Risks

### Financial Risks

Financial risks are those risks that may cause financial loss or damages. Prolonged exposure to such risks may result to loss of capital.

### Liquidity Risks

This is the type of risk that arises out of the company's inability to execute transactions. This also would deal on the company's ability to balance continuity of funds and flexibility in using outsourced resources.

### Operational Risks

This is the type of risk that arises out of operational failures such as mismanagement and technical failures. These risks would normally teem out to fraudulent transactions which is most of the time caused by lack of controls. To combat future problems of this type, the company is bent on employing able and capable personnel to safeguard its resources.

### Credit Risks

These are risks that are dependent on the contracting party's character and integrity and their capacity to fulfill agreed terms and obligations. The hospital on its future transactions will draft policies that will provide protection and eventually limit, if not eliminate, exposure to bad debts.

### Market Risks

This is the type of risk that may be brought about by the change in prices of financial instruments. It may be caused by the movement of stocks or interests on deposits or may be just simple market volatility.

### Legal Risks

These are risks that arise out of legal constraints, such as lawsuits, litigations and legal arguments. Legal proceedings, especially those prolonged ones, may cause the company some unnecessary losses.

## Certain Relationships and Related 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	Outstandin g Balance 2022	Transactio n 2023	Outstandin g Balance 2023	Transaction s 2024	Outstandin g Balance 2024	Terms	Conditions
Advances from Shareholder s	35,455,567	-7,705,567	27,750,000	8,075,000	35,825,000	Interes t bearin g to be paid in cash (a)	Unsecured, unguarantee d, not impaired



(a) Advances from shareholders

The founders and shareholders of ACEMC- GenSan took it upon themselves to help in the immediate need of funds of the company. So, in 2022, some of the founders lent funds to the company which at the end of year 2024, the carrying balance stands at P35,825,000.00. These were reported as related account transaction.

1. During the last two years, the registrant was not nor is to be a party, to any transaction or proposed transaction, in which any of the following person had or is to have a direct or indirect material interest:

- a. Any director or executive officer of the registrant;
  - b. Any nominee for election as a director
  - c. Any security holder
  - d. Any member of the immediate family
  - e. Any arrangement or understanding with the participant, or any associate of the participant
    - i. with respect to any future employment by the registrant or its affiliates; or
    - ii. With respect to any future transaction to which the registrant or any of its affiliates will or may be a party.
2. There is no substantial interest, direct or indirect, by security holdings or otherwise, with respect to a person, other than the director or executive officer of the registrant acting solely in that capacity, who is a party to an arrangement or understanding pursuant to which a nominee for election as director is proposed to be elected, has in any matter to be acted upon at the meeting.

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 periods 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 14).

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

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.

Aside from the party mentioned above, there is no other relationship that has existing negotiations on material transactions.

During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

### **Management and Certain Security Holders**

#### **Directors, Executive Officers**

There are fifteen (15) members of the Board, three (3) of whom are independent directors who hold office for one (1) year, as follows:

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)

#### Significant Employees

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

#### 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.

### Involvement in Certain Legal Proceedings

As of **May 31, 2025**, 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.

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

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

### **Corporate Governance**

The Company remains committed to its Corporate Vision-Mission and mandate as reflected by the following programs and activities, implemented in support of this purpose:

The Corporation has filed its New Manual on Corporate Governance on August 7, 2020.

Pursuant to the Corporation's New Manual on Corporate Governance, the Board constituted the following Committees:

1. Audit Committee
2. Corporate Governance Committee
3. Nominations Committee
4. Compensation and Remuneration Committee

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

**ANNEX “C”**

**Top 20 Stockholders (As of March 31, 2025)**

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.

**ANNEX “D”**

**Annual Stockholders’ Meeting  
July 8, 2024**

**List of Attendees**

1	Carlos, Fernando P.	Director/Chairman
2	Cerna-Lopez, Geanie A.	Director/Corporate Secretary
3	Enriquez, Amado Manuel Jr. C.	Director
4	Samoro, Fredilyn G.	Director/President
5	Samoy, Marietta T.	Director/Asst. Corporate Treasurer
6	Alolod, Noel R.	Asst. Corporate Secretary
7	Frial, Jocelyn S.	
8	Torre, Natividad M.	Director/Vice President
9	Orillaza, Generoso M.	Director
10	Orillaza, Marissa A.	
11	Lavilla, Francis Roy G.	Director
12	Cerna, Ma. Flora May M.	
13	Alcover, Jean D.	Independent Director
14	Cho, Joana Rea Endaya	
15	Cinco, Kenneth Mroland Duena	
16	Lorenzo, Francisco N.	Director/Vice Chairman
17	Montecillo, Jasmin L.	Director/ Corporate Treasurer
18	Fernandez, Joseph Sevilla	
19	Flordeliz, Zeny Falalimpa	
20	Enriquez, Marilyn R.	
21	Enriquez, Michael Edward R.	
22	Enriquez, Miguel Antonio R.	
23	Henares, Merliza Ganados	
24	Mabalot, Mielah Rose Guillero	
25	Mabalot, Nathaniel Aposaga	
26	Mirabueno, Brick Carlo Limpin	
27	Nuñez, Jyf Lorenz Atonducan	
28	Passionist Fathers In the Philippines, Inc. ( Fr. Mark Ian Peliño, CP )	
29	Biron, Ferjenel G.	Director
30	Pacis, Ma. Editha Lou C.	Director
31	Quesada, Cheryl Embalsado	
32	Rivera, Mary Ann Salomon	
33	Rubin, Leslie Duran	
34	Sarona, Alixander Libatan	
35	Sevilla, Farah Yerro	
36	Subang, Ronald Del Valle	
37	Tupas, Wenro Jr. Tandug	
38	Villena, Monalisa Arellano	
39	Ygnalaga, Basilisa Molina	

40	Babar, Hiyasmin Clarissa B.	
41	Lavilla, Meride D.	
42	Biron, Brandt Luke Quan	
43	Acharon, Joahanna Abinion	
44	Salangsang, Rodrigo Jr. K.	
45	Alavar, Catherine Dacera	
46	Alfara, Joyce Suzzane Andres	
47	Avila, Virgilio Jr. Poblador	
48	Ayuda, Nelson Barroga	
49	Barao, Liezel Lim	
50	Bernabe, Antoneth Beronio	
51	Bingil, Paul Clarence Baltazar	
52	Bongcayao, Mark Saab	
53	Calumpang, Aurelio Estores	
54	Carisma, Zosima Tecson	
55	Casinto, Carlo Domingo Cania	
56	Cawit, Edelito Jr. Macas	
57	Clarisa, Chrisamor Ilumba	
58	Clua, Roville Cristobal	
59	Coffey, Elizabeth Mejia	
60	Conche, Michael Castillanes	
61	Salvilla, Stephen D.	Independent Director
62	Villaflor, Agnes Jean M.	
63	Condes, Eireen De Jesus	
64	Delos Reyes, Reco Prospero S.	
65	Delos Reyes, Veralou	
66	Dumlao, Jose Remus Jr. G.	
67	Estorninos, Carlito Escovidal	
68	Gecosala, Kevin Rodriguez	
69	Gecosala, Kevin Rodriguez	
70	Ginez, Darwin Saludo	
71	Guitarte, Shermae Aileene Laron	
72	Gunay, Ryan S./Gunay, Fredelyn Atty.	
73	Imbong, Ferlyn Ann Valdez	
74	Jacob, Shermae Lyn Laron	
75	Jose, Evangeline Gulmatico	
76	Labrador, Lois Shanti P.	
77	Lara, Rane Lee Boone Ampuyas	
78	Lozano, Christian Lodel Candia	
79	Mama, Oscar Alabat	
80	Monares, Isidro Nono	
81	Nacional, Jeffrey Olegario	
82	Nogralles, Helen Bastareche	
83	Nogralles, Neil Edrian Bastareche	
84	Payosalan, Joel Almeda	
85	Peñaflorida, Tessie Elliot	
86	Peñalosa, Georgia Larissa Cordero	



87	Piñero, Melchor Jay Tano	
88	Piñero, Melchor Jay Tano	
89	Sepulchre, Melanie Mae Rama	
90	Siason, Pureza Panlaque	
91	Sumergido, Andrea Bella Quevedo	
92	Tolimao, Jimmy Ruiz	
93	Turingan, John Rodney Flores	
94	Turingan, Nenita Flores	
95	Villaverde, Isa Dorothy Allen	
96	Weber, Catalina Menaje	
97	Balmes, Ivan Paul Banayat	
	Present by Proxy	
98	Arias, Melannie Marie C.	
99	Balay, Angelito Yat L.	
100	Corpuz, Darwin P.	
101	Crisostomo, Kenneth C.	
102	Cu, Eugenio G.	
103	De Castro, Felicisimo D.	
104	Edang, Jose M.	
105	Gabor, Maria Sonrisa Dlc	
106	Gagwis, Raymund G.	
107	Gagwis, Rhodora G.	
108	Garcia, Rodney Jun M.	
109	Guazo, Mary Aileenette O.	
110	Lazara, Carlos li D.	
111	Montecillo, Rex Jeffrey P.	
112	Regozo, Danilo C.	
	Guests	
113	Melanie Cancer	ACEMC Gensan Staff
114	Shiela Mae Eldian	ACEMC Gensan Staff
115	Cristine Khate Lejarso	ACEMC Gensan Staff
116	Janno Antiporda	ACEMC Gensan Staff
117	Elmer Samoro	Chief Accounting Officer
118	Susmitah Singh	External Auditor
119	Marites Dimaculangan	External Auditor
120	Corady Caling	Administrative Manager

## Annex E

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DARWIN P. CORPUZ**, Filipino, of legal age and a resident of General Santos City, having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** and have been its independent director since January 1, 2019 – April 6, 2019; April 6, 2019 – December 2019; December 2019 – August 26, 2020; August 26, 2020 to June 18, 2021; June 18, 2021 to June 22, 2022; June 22, 2022 to December 21, 2023; December 22, 2023 to July 7, 2024; July 8, 2024 to current.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

Company/Organization	Position/Relationship	Period of Service

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances

4. I am related to the following director/officer/substantial shareholder of \_\_\_\_\_ other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be);
6. (For those in government service/affiliated with a government agency or GCC) I have the required written permission or consent from the (head of agency/department) to be an independent director in **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")**, pursuant to Office f the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances


8. I shall inform the Corporate Secretary of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** of any changes in the abovementioned information within five days from its occurrence.

Done this MAY 08 2025 day of \_\_\_\_\_ at \_\_\_\_\_.

  
DARWIN P. CORRUIZ  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 08 2025 day of \_\_\_\_\_ at CITY OF GENERAL SANTOS affiant personally appeared before me and exhibited to me his Tax Identification Number 228-883-923 issued on \_\_\_\_\_, at \_\_\_\_\_.

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Book No 66  
Series of 2025

  
**ATTY. JOSE M. VILLANUEVA**  
NOTARY PUBLIC  
Roll No. 51365  
IBP OR No. 25811 JAN. 6, 2025  
PTR No. 15394401 JAN. 6, 2025  
Until December 31, 2025  
TIN: 146-094-008  
ROXAS AVE., USC  
TEL. NO. 553-0790  
MICLE COMPLIANCE NO. VIII-0004894

# CERTIFICATION OF INDEPENDENT DIRECTOR

I, **STEPHEN D. SALVILLA**, Filipino, of legal age and a resident of General Santos City, having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** and have been its independent director since January 1, 2018 to December 31, 2018; January 1, 2019 to April 6, 2019; June 18, 2021 to June 22, 2022; June 22, 2022 to December 21, 2023; December 22, 2023 to July 7, 2024; July 8, 2024 to Current.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

Company/Organization	Position/Relationship	Period of Service
MSU Coll. of Medicine	Asst Professor IV	-

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances

4. I am related to the following director/officer/substantial shareholder of \_\_\_\_\_ other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be);
6. (For those in government service/affiliated with a government agency or GCC) I have the required written permission or consent from the (head of agency/department) to be an independent director in **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")**, pursuant to Office f the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances



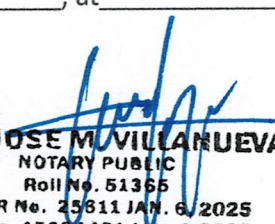
8. I shall inform the Corporate Secretary of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** of any changes in the abovementioned information within five days from its occurrence.

Done this MAY 08 2025 day of \_\_\_\_\_, at \_\_\_\_\_.

**STEPHEN D. SALVILLA**  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 08 2025 day of \_\_\_\_\_ at CITY OF GENERAL SANTOS affiant personally appeared before me and exhibited to me his Tax Identification Number 255-590-845 issued on \_\_\_\_\_, at \_\_\_\_\_.

Doc No 160  
Page No 16  
Book No 6  
Series of 2025

  
**ATTY. JOSE M. VILLANUEVA**  
NOTARY PUBLIC  
Roll No. 51365  
IBP OR No. 25811 JAN. 6, 2025  
PTR No. 15394401 JAN. 2, 2025  
Until December 31, 2025  
TIN: 146-094-005  
ROXAS AVE., QSC  
TEL. NO. 553-0790  
MCLE COMPLIANCE NO. VIII-0006896

# CERTIFICATION OF INDEPENDENT DIRECTOR

I, **AGNES JEAN M. VILLAFLO**, Filipino, of legal age and a resident of General Santos City, having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** and have been its independent director since N/A.

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
ACEMC-BUTUAN	FOUNDING MEMBER	2016 - PRESENT
ACEMC - CAGAYAN DE ORO	FOUNDING MEMBER INDEPENDENT DIRECTOR	2016-PRESENT 2023-PRESENT
ASIA PACIFIC MEDICAL CENTER - ILOILO	FOUNDING MEMBER CORPORATE SECRETARY CORPORATE TREASURER DIRECTOR MEDICAL SERVICES	2014 - PRSENT 2014-JUNE 2016 JULY 2016 -DEC 2024 DEC 2024 - PRESENT
APMC - AKLAN	FOUNDING MEMBER	2015 - PRESENT
APMC - BACOD	FOUNDING MEMBER	2015 - PRESENT
RENAL SPECIALTY INC	FOUNDING MEMBER	2013 - PRESENT
HEALTHLINK INC	FOUNDING MEMBER	2004 - PRESENT
PHILIPPINE MEDICAL ASSOCIATION	MEMBER	1995- PRESENT
PHILIPPINE COLLEGE OF PHYSICIANS	DIPLOMATE AND FELLOW	1996 - PRESENT
PHILIPPINE SOCIETY OF NEPHROLOGY	DIPLOMATE AND FELLOW	1998 - PRESENT

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances
4. I am related to the following director/officer/substantial (NONE) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code



Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be);

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances

7. I shall inform the Corporate Secretary of **Allied Care Experts (ACE) Medical Center-Gensan Inc. ("ACE-Gensan")** of any changes in the abovementioned information within five days from its occurrence.

Done this \_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_.

AGNES JEAN M. VILLAFLO  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 13 2025 day of MAY at \_\_\_\_\_  
affiant personally appeared before me and exhibited to me her Tax Identification Number 136-792-228 issued on \_\_\_\_\_ at \_\_\_\_\_

Doc No 107  
Page No 23  
Book No XXV  
Series of 2025

**ATTY. IGNACIO S. PRADO JR.**  
NOTARY PUBLIC FOR THE CITY AND PROVINCE  
OF ILOILO UNTIL DECEMBER 31, 2025  
IBP NO. 492357, 1/2/2025, PASIG CITY  
PTR NO. 179539, 1/2/2025, ILOILO CITY,  
NOT. REG. NO. 14, ROLL NO. 25533  
MCLE VIM UNTIL 4/14/2028, NO. 0013684  
TIN 117-355-747  
EZZANINE FLOOR RED PLAZA BUILDING  
IN BAKASIT, ILOILO CITY 6000

## CERTIFICATION

This is to certify that the directors and officers of Allied Care Experts (ACE) Medical Center-Gensan, Inc., are not connected with any government agencies or its instrumentalities.

Issued this MAY 20 2025 day of CITY OF GENERAL SANTOS, 2025, at \_\_\_\_\_, Philippines.




NOEL R. ALOLOD  
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN TO BEFORE ME**, a Notary Public, for and in \_\_\_\_\_, Philippines, this MAY 20 2025 day of CITY OF GENERAL SANTOS, 2025, affiant presented to me his Driver License ID No. L94-12-003340, with an expiration date on December 22, 2033.

Doc No. 992  
Page No. 40  
Book No. 6  
Series of 2025.

NOTARY PUBLIC



**ATTY. JOSE M. VILLANUEVA**  
NOTARY PUBLIC  
Roll No. 51365  
ISPOR No. 25611 JAN. 6, 2025  
PTR No. 15104401 JAN. 3, 2025  
Until December 31, 2025  
TIN: 146-084-008  
MOXAS AVE., 08C  
TEL. NO. 583-0790  
MOLE COMPLIANCE NO. VIII-0000000





**CERTIFICATE OF ATTENDANCE OF DIRECTORS FOR THE YEAR 2024**

**WE, FERNANDO P. CARLOS** and **GEANIE CERNA-LOPEZ**, being the duly elected Chairman of the Board and Corporate Secretary of Allied Care Experts (ACE) Medical Center-GENSAN Inc. ("ACEMC-GENSAN"), respectively, hereby certify the following record of the directors' attendance to the meetings of the Board of Directors of ACEMC-GENSAN, INC., for the year 2024 :

	<u>Directors</u>	<u>Mar 14 2024</u>	<u>Mar 23 2024</u>	<u>Apr 20 2024</u>	<u>Apr 27 2024</u>	<u>Apr 30 2024</u>	<u>May 25 2024</u>	<u>Jun 29 2024</u>	<u>Jul 8 2024</u>	<u>Aug 10 2024</u>	<u>Aug 31 2024</u>	<u>Sep 28 2024</u>	<u>Nov 9 2024</u>	<u>% of Attendance</u>
1	ALCOVER, JEAN D.	P	A	P	P	P	P	P	P	A	P	P	A	75.00
2	BIRON, FERJENEL G.	P	P	P	P	P	P	A	P	P	A	P	A	75.00
3	CARLOS, FERNANDO P.	P	P	P	P	P	A	P	P	P	P	P	P	91.67
4	CERNA-LOPEZ, GEANIE A.	P	P	A	P	A	A	P	P	A	P	A	P	66.67
5	CORPUZ, DARWIN P.	A	A	P	A	P	P	P	A	P	A	P	P	58.33
6	ENRIQUEZ JR., AMADO MANUEL C.	P	P	P	P	P	P	P	P	P	P	P	A	91.67
7	LAVILLA, FRANCIS G.	P	P	P	P	P	P	P	P	P	P	P	A	91.67
8	LORENZO, FRANCISCO N.	A	P	P	P	P	P	P	P	P	P	P	P	91.67
9	MONTECILLO, JASMIN L.	P	P	P	P	A	P	P	A	A	A	P	P	66.67
10	ORILLAZA, GENEROSO M.	P	P	P	P	P	P	P	A	P	P	P	P	91.67
11	PACIS, MA. EDITHA LOU C.	P	P	P	P	P	P	P	A	A	P	P	A	75.00
12	SALVILLA, STEPHEN D.	P	A	P	P	A	A	A	A	P	P	P	P	58.33
13	SAMORO, FREDILYN G.	P	P	A	P	P	P	P	P	P	P	P	P	91.67
14	SAMOY, MARIETTA T.	P	P	A	P	A	P	P	P	P	P	A	P	75.00
15	TORRE, NATIVIDAD M.	P	P	P	A	P	A	P	P	P	P	P	P	83.33

Issued this 28th day of April 2025, in the City of General Santos, Philippines.

  
**FERNANDO P. CARLOS, M.D.**  
Chairman of the Board

  
**GEANIE CERNA-LOPEZ, M.D.**  
Corporate Secretary



## SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



**The following document has been received:**

**Receiving:** Ma. Theresa Mabuyo

**Receipt Date and Time:** May 19, 2025 08:00:00 AM

### Company Information

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**SEC Registration No.:** CS201612055

**Company Name:** ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-GENSAN INC.

**Industry Classification:** M85100

**Company Type:** Stock Corporation

### Document Information

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**Document ID:** OST10519202583360225

**Document Type:** Quarterly Report

**Document Code:** SEC\_Form\_17-Q

**Period Covered:** March 31, 2025

**Submission Type:** Original Filing

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents



ACEMC GENSAN\_SEC &lt;acemcgensan.sec@gmail.com&gt;

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**SEC eFast Final Acceptance**

1 message

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**noreply-cifssost@sec.gov.ph** <noreply-cifssost@sec.gov.ph>

Tue, May 20, 2025 at 2:57 PM

Greetings!

**SEC Registration No:** CS201612055**Company Name:** ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-GENSAN INC.**Document Code:** SEC\_Form\_17-Q

Your submission has been reviewed and accepted. Please see attached file as proof of acceptance. You can also generate your QR Code page in your account.

Thank you.

**REMINDER:** TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, [7907 Makati Avenue](#),  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **MARCH 31, 2025**
2. Commission identification number: **CS201612055** 3. BIR Tax Identification No.: **009-317-037-000**

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

4. Exact name of issuer as specified in its charter

**SOUTH COTABATO, PHILIPPINES**

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code:  (SEC Use Only)

**2<sup>nd</sup> FLR, GENMEDEX, SANTIAGO BLVD, GENERAL SANTOS CITY**

7. Address of issuer's principal office **9500**  
Postal Code

8. Issuer's telephone number, including area code: **(083) 553-0605**

9. Former name, former address and former fiscal year, if changed since last report—**Not Applicable**

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

	<u>Number of Shares</u>	<u>Outstanding Debt</u>
Founder Shares	600	
Common Shares	179,400	
Preferred Shares	60,000	
Amount of Outstanding Debt		P 318,629,067

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

Yes [ ] No [☒]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

\_\_\_\_\_

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes ☒ No ☐

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

Yes ☒ No ☐

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements.

The Financial Statements (FS) of the Company for the 1<sup>st</sup> Quarter of 2024 is incorporated herein. (ANNEX A)

### Item 2. Management's Discussion and Analysis or Plan of Operations

#### Results of Operations (March 31, 2025 vs March 31, 2024)

STATEMENT OF COMPREHENSIVE INCOME (LOSS)	For the Period Ending March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
Revenue	0	0	0	0.00%	NA	NA
Direct Costs	0	0	0	0.00%	NA	NA
Gross Profits	0	0	0	0.00%	NA	NA
Other Income	844,212	610	843,602	138295.43%	NA	NA
Gross Income	844,212	610	843,602	138295.43%	NA	NA
Gen. and Administrative Costs	3,685,216	1,808,681	1,876,535	103.75%	NA	NA
Income (Loss) from Operations	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA
Finance Cost	0	0	0	0.00%	NA	NA
Net Income (Loss) Before Income Tax	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA
Provision for Income Tax	0	0	0	0.00%	NA	NA
Net Income (Loss) for the Year	(2,841,003)	(1,808,071)	(1,032,932)	57.13%	NA	NA
Other Income (Loss)	0	0	0	0.00%	NA	NA
<b>Total Comprehensive Income (Loss)</b>	<b>(2,841,003)</b>	<b>(1,808,071)</b>	<b>(1,032,932)</b>	<b>57.13%</b>	<b>NA</b>	<b>NA</b>

#### OTHER INCOME

Recorded as other income during the period is the interest on bank deposits + the interest received from the amount lent by the company.

#### GENERAL and ADMINISTRATIVE EXPENSES

These are the expenses incurred by the company during the construction of the hospital. The summary of these expenses are as follows:

General and Administrative Costs	For the Period Ending March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
Salaries and Wages	2,258,098	471,646	1,786,452	378.77%	61.27%	26.07%
Honorarium	532,000	91,000	441,000	484.62%	14.44%	5.03%
Transpo & Travel Expenses	178,912	146,993	31,919	21.71%	4.85%	8.13%
Meals and Meeting Expenses	18,103	0	18,103	0.00%	0.49%	0.00%
Legal Fees	185,000	117,000	68,000	58.12%	5.02%	6.47%
Ads & Mktg Expenses	89,689	98,009	-8,320	-8.49%	2.43%	5.42%
Repairs/Maintenance	68,193	37,887	30,306	79.99%	1.85%	2.09%
Rent Expenses	61,412	68,790	-7,378	-10.72%	1.67%	3.80%

Security Services	47,343	35,507	11,836	0.00%	1.28%	1.96%
Taxes & Licenses	37,716	497,734	-460,018	-92.42%	1.02%	27.52%
13th Month Pay Expense	36,646	33,913	2,733	8.06%	0.99%	1.87%
Stationeries & Office Supplies	33,129	38,840	-5,711	0.00%	0.90%	2.15%
Depreciation	31,950	35,921	-3,971	-11.05%	0.87%	1.99%
SSS, PHIC, HDMF						
Contributions	30,883	38,615	-7,733	-20.02%	0.84%	2.13%
Communication, Light, Water						
Expenses	29,954	35,021	-5,067	-14.47%	0.81%	1.94%
Professional Fees	21,789	38,158	-16,369	-42.90%	0.59%	2.11%
Fuel and Lubricants	13,030	9,250	3,780	40.86%	0.35%	0.51%
Others	7,000	0	7,000	0.00%	0.19%	0.00%
Bank Charges	2,450	690	1,760	255.07%	0.07%	0.04%
Miscellaneous	1,073	13,963	-12,890	-92.32%	0.03%	0.77%
Postage & Courier Services	845	0	845	0.00%	0.02%	0.00%
	3,685,216	1,808,937	1,876,279	103.72%	100.00%	100.00%

#### COMPREHENSIVE INCOME / (LOSS)

This is the reported losses of the company for the 3-month period. This is mainly due to the general and administrative expenses incurred which are in relation to the construction of the hospital building.

STATEMENT OF FINANCIAL POSITION	As of March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Difference	%-age	2025	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	449,900	1,426,332	(976,433)	-68.46%	0.06%	0.20%
Advances and Other						
Receivables	1,323,932	6,631,973	(5,308,041)	-80.04%	0.18%	0.92%
Prepayments	0	16,275	(16,275)	-100.00%	0.00%	0.00%
Rental Deposits	14,000	14,000	0	0.00%	0.00%	0.00%
	1,787,832	8,088,580	(6,300,748)	-77.90%	0.24%	1.12%
<b>Non-Current Assets</b>						
Construction-In-Progress	629,365,122	595,008,477	34,356,645	5.77%	84.13%	82.62%
Property and Equipment (net)	90,862,037	90,945,612	(83,575)	-0.09%	12.15%	12.63%
Advances to Suppliers &						
Contractors	26,099,000	26,099,000	0	0.00%	3.49%	3.62%
	746,326,159	712,053,089	34,273,069	4.81%	99.76%	98.88%
<b>TOTAL ASSETS</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>27,972,321</b>	<b>3.88%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Other						
Liabilities	62,161,725	50,224,066	11,937,659	23.77%	8.31%	6.97%
	62,161,725	50,224,066	11,937,659	23.77%	8.31%	6.97%
<b>Non-Current Liabilities</b>						
Notes Payable	214,292,000	214,292,000	0	0.00%	28.64%	29.76%
Advances from Shareholders	42,175,342	27,750,000	14,425,342	51.98%	5.64%	3.85%
	256,467,342	242,042,000	14,425,342	5.96%	34.28%	33.61%
<b>TOTAL LIABILITIES</b>	<b>318,629,067</b>	<b>292,266,066</b>	<b>26,363,001</b>	<b>9.02%</b>	<b>42.59%</b>	<b>40.58%</b>

**Equity**

Share Capital	166,120,000	162,120,000	4,000,000	2.47%	22.21%	22.51%
Share Premium (net)	310,905,445	294,863,533	16,041,912	5.44%	41.56%	40.95%
Revaluation Increment on Land	51,301,213	51,301,213	0	0.00%	6.86%	7.12%
Deficit	(98,841,734)	(80,409,142)	(18,432,592)	22.92%	-13.21%	-11.17%
<b>TOTAL EQUITY</b>	<b>429,484,923</b>	<b>427,875,604</b>	<b>1,609,320</b>	0.38%	<b>57.41%</b>	<b>59.42%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>27,972,321</b>	3.88%	<b>100.00%</b>	<b>100.00%</b>

**CASH**

The company is still under construction that is why all the funds generated are channeled to the building of the hospital. Thus, month-end fund balances are low.

**ADVANCES AND OTHER RECEIVABLES**

Funds that were previously lent to another entity were already collected, thus, the lower quarter-end balance of the account.

**RENTAL DEPOSITS**

This represents the amount deposited for the staff house rentals.

**CONSTRUCTION -IN-PROGRESS**

This is the total amount used to finance the construction of the Hospital Building, so far. Compared to last year, the total amount increased by P34.4M

**PROPERTY AND EQUIPMENT**

The amount of property & equipment slightly decreased by P83.5K. This decreased is mainly because of the depreciation recognized periodically.

**ACCOUNTS PAYABLE and OTHER LIABILITIES**

The payable account is composed of the following: Retention Payable - P23.9M (38.5%); Accrued Expenses - P32.5M (52.39%); Accounts Payable - P1.03M (1.66%); Accrued Interest Payable - P 4.03M (6.48%); Statutory Liabilities - P52.7K (0.08%); and Other AP - P549K (0.88%). These amount is P11.9M higher than the previous year's balance.

**NOTES PAYABLE**

No new releases were received from Land Bank of the Philippines

**ADVANCES FROM SHAREHOLDERS**

To augment the company's need for funding, some of the shareholders advanced some funds finance the construction of the building. As of March 2025, the account balance stands at P42.175M. This is P14.425M higher than last year's quarter-end balance.

**SHARE CAPITAL**

95 blocks were recorded to be sold from the previous year until this quarter-end of March 2025. This is in addition to the additional partial payments made by some shareholders that totaled P3.05M.

**SHARE PREMIUM**

These are the additional amounts collected for the sale of shares at a premium. Last year's balance of the account was at P294.86M while this quarter-end, the balance was at P310.9M or an increase of P16.04M.

**REVALUATION INCREMENT ON LAND**

No new appraisal was made for the property of the company.



## DEFICIT

Given that there is no operations yet, the company has not recorded operational income. To date, the company has been reflecting deficits due to the general and administrative expenses incurred in relation to the construction and administration of the hospital building.

STATEMENT OF FINANCIAL POSITION	As of March 31		
	2025	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	449,900	1,426,332	6,106,380
Advances and Other Receivables	1,323,932	6,631,973	189,225
Prepayments	0	16,275	48,000
Rental Deposits	14,000	14,000	0
	1,787,832	8,088,580	6,343,605
<b>Non-Current Assets</b>			
Construction-In-Progress	629,365,122	595,008,477	551,348,382
Property and Equipment (net)	90,862,037	90,945,612	90,987,508
Advances to Suppliers & Contractors	26,099,000	26,099,000	24,369,000
	746,326,159	712,053,089	666,704,890
<b>TOTAL ASSETS</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>673,048,495</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable and Other Liabilities	62,161,725	50,224,066	38,119,886
	<b>62,161,725</b>	<b>50,224,066</b>	<b>38,119,886</b>
<b>Non-Current Liabilities</b>			
Notes Payable	214,292,000	214,292,000	204,092,000
Advances from Shareholders	42,175,342	27,750,000	35,455,567
	256,467,342	242,042,000	239,547,567
<b>TOTAL LIABILITIES</b>	<b>318,629,067</b>	<b>292,266,066</b>	<b>277,667,453</b>
<b>Equity</b>			
Share Capital	166,120,000	162,120,000	156,180,000
Share Premium (net)	310,905,445	294,863,533	249,428,658
Revaluation Increment on Land	51,301,213	51,301,213	51,301,213
Deficit	(98,841,734)	(80,409,142)	(71,728,829)
<b>TOTAL EQUITY</b>	<b>429,484,923</b>	<b>427,875,604</b>	<b>385,181,042</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>748,113,991</b>	<b>720,141,670</b>	<b>662,848,495</b>

## KEY PERFORMANCE INDICATORS

KPIs	As of March 31		
	2025	2024	2023
<b>Liquidity Ratios</b>			
<b>Quick Asset Ratio</b>			
Cash + Cash Equivalents + Current Receivables / Current Liabilities	0.03 : 1	0.16 : 1	0.17 : 1

The quick asset ratio of the company does not show us the good numbers that we want to see. This is mainly because the company is still in the

construction phase and liquid resources are a little bit scarce.

### Current Ratio

Current Assets / Current Liabilities

0.03 : 1                      0.16 : 1                      0.17 : 1

The company's current assets are a bit low on quarter-end balances, that is the reason why the current ratio does not reflect positive numbers. We are still in the construction phase, thus, funding is quite a challenge.

### Solvency Ratios

#### Debt-to-Equity Ratio

Long Term Debt / Equity

0.60 : 1                      0.57 : 1                      0.62 : 1

To the average, the long-term debts of the company takes 60% of the company's total equity. This may still be acceptable, however, moving forward, the continuous growth of the liabilities may affect the future performance indicators.

### Profitability Ratios

#### Net Profit Margin Ratio

Net Income / Sales

0                                      0                                      0

Financial data not yet available

#### Return on Equity

Net Income / Stockholder's Equity

0                                      0                                      0

Financial data not yet available

### Leverage

#### Debt-to-Total Asset Ratio

Total Debts / Total Assets

0.43 : 1                      0.41 : 1                      0.42 : 1

The total liabilities stands at more or less 42% of the total resources of the company. However, it must be noted that these company assets are fixed assets and not readily convertible to cash.

#### Asset-to-Equity Ratio

Total Assets / Equity

1.74 : 1                      1.68 : 1                      1.72 : 1

The company's equity account for the 58% of the total resources of the company. This figure could very well be boosted if more shares will be sold via IPO.

### Interest Rate Coverage Ratio

#### Interest Rate Coverage Ratio

Earnings Before Interests & Taxes / Interest Expense

0                                      0                                      0

Financial data not yet available

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

**As of March 31, 2025**


- 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 when the hospital facility will be completed.
- The company has no investments on foreign securities.


## PART II - OTHER INFORMATION

There are no additional material information to be disclosed which were not previously reported under SEC Form 17-C

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

  
**Dr. JASMIN L. MONTECILLO**  
Corporate Treasurer  
Date: May 17, 2025

  
**Dr. FREDILYN G. SAMORO**  
President  
Date: May 17, 2025

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

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### **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2025 and 2024 (Amounts in Philippine Peso)

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#### **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 2026.

The Company has incurred an accumulated deficit of ₱ 98,841,734 and ₱80,409,142 as at March 31, 2025 and 2024, 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 period ended March 31, 2025, including its comparative figures as March 31, 2024 and for the years ended March 31, 2025 and 2024, were approved and authorized for issuance by the Board of Directors on April 16, 2025.

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## **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.

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## **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*.

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## **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 de recognition, 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 de recognition (equity instruments)
- financial assets at fair value through profit or loss

#### **Financial assets at amortized cost (debt instruments)**

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).

#### **Financial assets fair value through OCI (debt instruments)**

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 de recognition, 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.

***De recognition***

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 de recognition 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 EIR 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 EIR. 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).

### ***De recognition***

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 de recognition 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 since it's 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 March 31, 2025.

### **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.

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#### **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:

	<b>March 2025</b>	March 2024
Cash*	<b>399,900</b>	1,376,332
Advances and Other Receivables	<b>1,323,932</b>	6,631,973
	<b>1,723,832</b>	8,008,305

*\*excluding petty cash fund of P50,000 as at March 31, 2025 and 2024*

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 March 31, 2025 and 2024.

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

	<b>March 2025</b>	March 2024
Advances to contractors and suppliers	<b>26,099,000</b>	26,099,000
Property and equipment (net)	<b>90,862,037</b>	90,945,612
Construction-in-progress	<b>629,365,122</b>	595,008,477
	<b>746,326,159</b>	712,053,089

#### *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:

<b>Categories</b>	<b>Estimated Useful Life</b>
Office furniture and equipment	5 years
Transportation and equipment	5 years

As at March 31, 2025 and 2024, the Company's property and equipment had carrying amounts of ₱90,862,037 and ₱90,945,612, 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 March 31, 2025 and 2024, 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 March 31, 2025, December 31, 2024 and 2023, 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 March 31, 2025, December 31, 2024, and 2023 amounted to ₱21,036,471, ₱20,326,194, and ₱15,975,983, respectively (see Note 16).

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#### **NOTE 6 - CASH**

This account consists of:

	<b>March 2025</b>	March 2024
Petty cash fund	<b>50,000</b>	50,000
Cash in banks	<b>399,900</b>	1,376,332
	<b>449,900</b>	1,426,332

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 ₱109, ₱610, and ₱3,656 in March 2025, 2024, and 2023, respectively, and is presented as "interest income" in the statement of comprehensive income (loss).

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#### **NOTE 7 – ADVANCES AND OTHER RECEIVABLES**

This account consists of:

	<b>Mar-25</b>	Mar-24
Accounts Receivable	<b>1,313,582</b>	6,631,973
Advances to Employees	<b>10,350</b>	0
	<b>1,323,932</b>	6,631,973

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#### **NOTE 8 – ADVANCES TO CONTRACTORS AND SUPPLIERS**

This account consists of:

	<b>Mar-25</b>	Mar-24
Advances to contractors <sup>1)</sup>	<b>18,033,600</b>	18,033,600
Advances to Suppliers	<b>8,065,400</b>	8,065,400
	<b>26,099,000</b>	26,099,000

<sup>1)</sup> 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.

<sup>2)</sup> 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.

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#### **NOTE 9 - PROPERTY AND EQUIPMENT (net)**

Reconciliation of property and equipment (net) as at March 31, 2025 is as follows:

	Land	Office Furniture and Equipment	Transportation Equipment	Total
<b>Cost:</b>				
At beginning of year	39,334,287	886,410	160,000	40,380,697
Additions	-	-	-	-
<b>At end of March 2025</b>	<b>39,334,287</b>	<b>886,410</b>	<b>160,000</b>	<b>40,380,697</b>
<b>Accumulated depreciation:</b>				
At beginning of year	-	648,123	144,000	792,123
Depreciation	-	17,083	10,667	27,750
<b>At end of March 2025</b>	<b>-</b>	<b>665,206</b>	<b>154,667</b>	<b>819,873</b>
<b>Revaluation increment on Land</b>	<b>51,301,213</b>	<b>-</b>	<b>-</b>	<b>51,301,213</b>
<b>Net carrying value, March 31, 2025</b>	<b>90,635,500</b>	<b>221,204</b>	<b>5,333</b>	<b>90,862,037</b>

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

	Land	Office Furniture and Equipment	Transportation Equipment	Total
<b>Cost:</b>				
At beginning of year	39,334,287	750,957	160,000	40,245,244
Additions	-	89,100	-	89,100
<b>At end of March 2025</b>	<b>39,334,287</b>	<b>840,057</b>	<b>160,000</b>	<b>40,334,344</b>
<b>Accumulated depreciation:</b>				
At beginning of year	-	547,612	106,667	654,279
Depreciation	-	24,999	10,667	35,666
<b>At end of March 2025</b>	<b>-</b>	<b>572,611</b>	<b>117,334</b>	<b>689,945</b>
<b>Revaluation increment on Land</b>	<b>51,301,213</b>	<b>-</b>	<b>-</b>	<b>51,301,213</b>
<b>Net carrying value, March 31, 2024</b>	<b>90,635,500</b>	<b>267,446</b>	<b>42,666</b>	<b>90,945,612</b>

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.

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**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:

	Year end 2024	Transactions 2025	As at Mar-25
Construction in Progress	622,735,277	6,629,845	629,365,122

During the development and construction of the hospital building, borrowing costs on interest-bearing loans were capitalized.

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.

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**NOTE 11 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

This account consists of:

	March 2025	March 2024
Retention payable <sup>1)</sup>	23,929,555	23,509,188
Accrued expenses <sup>2)</sup>	32,569,550	21,499,433
Accounts payable <sup>2)</sup>	1,031,590	2,501,052
Accrued interest payable <sup>4)</sup>	4,028,656	1,582,511
Statutory liabilities <sup>3)</sup>	52,789	619,576
Other payables	549,585	512,306
	62,161,725	50,224,066

<sup>1)</sup> 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 March 31 consist of:

	2025	2024
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 collateralized and secured by a Real Estate Mortgage (REM) on both parcels of land owned by the Company, including present and future improvements, thereon.

## 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 March 31, 2025:

Category	Outstanding Balance Mar-25	Amount of Transaction 2025	Outstanding Balance 2024	Amount of Transaction 2024	Outstanding Balance 2023	Terms	Conditions
Advances from Shareholders	42,175,342	6,350,342	35,825,000	8,075,000	27,750,000	Interest Bearing to be paid in Cash (a)	Unsecured, unguaranteed, unimpaired

(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 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 ₱1,950,000 and ₱150,000 for the periods ended March 31, 2025 and 2024, 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.

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**NOTE 14 - SHARE CAPITAL - net**

Details of the Company's share capital as at March 31, 2025 is as follows:

	<b>No. of Shares</b>	<b>Amount</b>
Authorized share capital – ₱1,000 par value		
Founders' shares	<b>600</b>	<b>600,000</b>
Common shares	<b>179,400</b>	<b>179,400,000</b>
Preferred shares	<b>60,000</b>	<b>60,000,000</b>
Total authorized share capital	<b>240,000</b>	<b>240,000,000</b>
Subscribed share capital:		
Founders' shares	<b>600</b>	<b>600,000</b>
Common shares	<b>150,130</b>	<b>150,130,000</b>
Preferred shares	<b>60,000</b>	<b>60,000,000</b>
Total subscribed share capital	<b>210,730</b>	<b>210,730,000</b>
Paid-up share capital (net of subscriptions receivable of ₱44,610,000):		
Founders' shares	<b>600</b>	<b>600,000</b>
Common shares	<b>150,130</b>	<b>147,520,000</b>
Preferred shares	<b>60,000</b>	<b>18,000,000</b>
Total paid-up share capital	<b>210,730</b>	<b>166,120,000</b>

Details of the Company's share capital as at March 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	149,180	149,180,000
Preferred shares	60,000	60,000,000
Total subscribed share capital	209,780	209,780,000
Paid-up share capital (net of subscriptions receivable of ₱47,660,000):		
Founders' shares	600	600,000
Common shares	149,180	143,520,000
Preferred shares	60,000	18,000,000
Total paid-up share capital	209,780	162,120,000

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 **EIGHTEEN THOUSAND SEVEN HUNDRED THIRTY (18,730)** common shares. The related share premium after deducting transaction costs associated with the issuance of shares amounted to ₱310,905,445. 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-three (43) shareholders and forty-four (44) shareholders, respectively each owning 100 or more shares of the Company's shares of stock as at March 31, 2025 and 2024.

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.

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#### NOTE 15: GENERAL AND ADMINISTRATIVE EXPENSES

Details of account are as follows:

General and Administrative Costs	For the Period Ending March 31		
	2025	2024	2023
Salaries and Wages	2,258,098	471,646	1,910,209
Honorarium	532,000	91,000	1,209,000
Transpo & Travel Expenses	178,912	146,993	193,438

Meals and Meeting Expenses	18,103	0	40,504
Legal Fees	185,000	117,000	0
Ads & Mktg Expenses	89,689	98,009	232,194
Repairs/Maintenance	68,193	37,887	12,451
Rent Expenses	61,412	68,790	66,633
Security Services	47,343	35,507	0
Taxes & Licenses	37,716	497,734	529,343
13th Month Pay Expense	36,646	33,913	10,150
Stationeries & Office Supplies	33,129	38,840	34,960
Depreciation	31,950	35,921	33,212
SSS, PHIC, HDMF Contributions	30,883	38,615	40,890
Communication, Light, Water Expenses	29,954	35,021	8,791
Professional Fees	21,789	38,158	136,053
Fuel and Lubricants	13,030	9,250	20,858
Others	7,000	0	0
Bank Charges	2,450	690	3
Penalties and Surcharges	0	0	82,751
Miscellaneous	1,073	13,707	19,277
Postage & Courier Services	845	0	0
	<b>3,685,216</b>	<b>1,808,681</b>	<b>4,580,717</b>

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#### NOTE 16 - INCOME TAX

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

<b>I. Regular Corporate Income tax (RCIT)</b>	<b>March 2025</b>	<b>Dec 2024</b>	<b>Dec 2023</b>
Net loss before income tax	<b>(2,841,003)</b>	(17,399,660)	(21,013,923)
Add (deduct) reconciling items:			
Interest income subjected to final tax (Note 6)	<b>(109)</b>	(1,182)	(3,869)
Net operating loss	<b>(2,841,112)</b>	(17,400,842)	(21,017,792)
Tax rate	<b>25%</b>	25%	25%
<b>RCIT</b>	<b>NIL</b>	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.

<b>Year Incurred</b>	<b>Expiration Date</b>	<b>Beginning balance</b>	<b>Additions</b>	<b>Expired</b>	<b>Claimed</b>	<b>Ending Balance</b>
<b>NOLCO</b>						
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:

<b>Year Incurred</b>	<b>Expiration Date</b>	<b>Beginning balance</b>	<b>Additions</b>	<b>Expired</b>	<b>Claimed</b>	<b>Ending Balance</b>
<b>NOLCO</b>						
2022	2025	15,782,835	-	-	-	15,782,835
2023	2026	21,017,792	-	-	-	21,017,792
2024	2027	17,400,842	-	-	-	17,400,842
<b>Mar 2025</b>	<b>2028</b>	-	<b>2,841,112</b>	-	-	<b>2,841,112</b>
		<b>54,201,469</b>	<b>2,841,112</b>	-	-	<b>57,042,581</b>

#### **IV. Deferred Tax Asset**

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

	<b>Mar 2025</b>	<b>Dec 2024</b>	<b>Dec 2023</b>
NOLCO	<b>84,145,887</b>	81,304,775	63,903,933
Tax rate	<b>25%</b>	25%	25%
	<b>21,036,471</b>	20,326,194	15,975,983
Valuation allowance (Note 5)	<b>(21,036,471)</b>	(20,326,194)	(15,975,983)
	-	-	-

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:

	<b>Mar 2025</b>	<b>Dec 2024</b>	<b>Dec 2023</b>
Loss attributable to ordinary shares	(2,841,112)	(17,399,660)	(21,013,923)
Divide by: Weighted average number of ordinary shares outstanding	210,730	209,780	207,871
Basic loss per share	<b>(13.48)</b>	<b>(82.94)</b>	<b>(101.09)</b>

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



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## 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.

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As at March 31, 2025

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Financial Asset at Amortized Cost

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	12-month ECL	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
Cash*	399,900	0	0	399,900
Advances & Other Receivables	1,323,932	0	0	1,323,932
	1,723,832	0	0	1,723,832

*\*excluding petty cash fund amounting to ₱50,000 as at March 31, 2025*

As at March 31, 2024				
	Financial Asset at Amortized Cost			
	12-month ECL	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
Cash*	1,376,332	0	0	1,376,332
Advances & Other Receivables	6,631,973	0	0	6,631,973
	8,008,305	0	0	8,008,305

*\*excluding petty cash fund amounting to ₱50,000 as at March 31, 2024*

### ***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 March 31, 2025

	On Demand	Within 1 Year	More than 1 Year but less than 5 years	More than 5 Years	Total
Financial Assets:					
Cash*	399,900	0	0	0	399,900
Advances & Other Receivables	1,323,932	0	0	0	1,323,932
	1,723,832	0	0	0	1,723,832

*\*excluding petty cash fund amounting to ₱50,000 as at March 31, 2025*

Financial Liabilities:					
Accounts Payable & Other Liabilities*	62,108,936	0	0	0	62,108,936
Notes Payable	0	0	45,001,320	169,290,680	214,292,000
	62,108,936	0	45,001,320	169,290,680	276,400,936

*\*excluding government liabilities amounting to ₱52,789 as at March 31, 2025*

As at March 31, 2024

	On Demand	Within 1 Year	More than 1 Year but less than 5 years	More than 5 Years	Total
Financial Assets:					
Cash*	1,376,332	0	0	0	1,376,332
Advances & Other Receivables	6,631,973	0	0	0	6,631,973
	8,008,305	0	0	0	8,008,305

*\*excluding petty cash fund amounting to ₱50,000 as at March 31, 2024*

Financial Liabilities:					
Accounts Payable & Other Liabilities*	49,604,490	0	0	0	49,604,490
Notes Payable	0	0	45,001,320	169,290,680	214,292,000
	49,604,490	0	45,001,320	169,290,680	263,896,490

*\*excluding government liabilities amounting to ₱619,576 as at March 31, 2024*

## 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 March 31, 2025		As at March 31, 2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets:				
Cash*	399,900	399,900	1,376,332	1,376,332
Advances & Other Receivables	1,323,932	1,323,932	6,631,973	6,631,973
	1,723,832	1,723,832	8,008,305	8,008,305

*\*excluding petty cash fund amounting to ₱50,000 as at March 31, 2025 and 2024*

Financial Liabilities:				
Accounts Payable & Other Liabilities*	62,108,936	62,108,936	49,604,490	49,604,490
Advances from Shareholders	42,175,342	42,175,342	27,750,000	27,750,000

Notes Payable	214,292,000	214,292,000	214,292,000	214,292,000
	318,576,278	318,576,278	291,646,490	291,646,490

*\*excluding petty cash fund amounting to ₱52,789 and ₱619,576 as at March 31, 2025 and March 31, 2024, 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 March 31, 2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
<b>Financial Assets:</b>			
Cash*	399,900	-	-
Advances and other receivables	-	1,323,932	-
	399,900	1,323,932	-

\*Excluding petty cash fund amounting to P50,000 as at March 31, 2025

<b>Financial Liabilities:</b>			
Accounts payable and other liabilities**	-	62,108,936	-
Notes payable	-	214,292,000	-
	-	276,400,936	-

\*\*Excluding government liabilities amounting to P52,789 as at March 31, 2025

As at March 31, 2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
<b>Financial Assets:</b>			
Cash*	1,376,332	-	-
Advances and other receivables	-	6,631,973	-
	1,376,332	6,631,973	-

\*Excluding petty cash fund amounting to P50,000 as at March 31, 2024

<b>Financial Liabilities:</b>			
Accounts payable and other liabilities**	-	49,604,490	-
Notes payable	-	214,292,000	-
	-	263,896,490	-

\*\*Excluding government liabilities amounting to P619,576 as at March 31, 2024

There were no reclassifications made between the different fair value hierarchy level as at March 31, 2025 and 2024.

## 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 periods ended December 31, 2025 and 2024.

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

	<b>March 2025</b>	March 2024
Share capital-net	<b>166,120,000</b>	162,120,000
Share premium-net	<b>310,905,445</b>	294,863,533
Revaluation increment on land	<b>51,301,213</b>	51,301,213
Deficit	<b>(98,841,734)</b>	(80,409,142)
	<b>429,484,923</b>	427,875,604

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 ACTIVITIES**

The following table summarizes the changes in liabilities arising from financing activities as at March 31, 2025, December 2024 and 2023:

	2024	Cash Inflows	Payments	March 2025
Notes payable	214,292,000	–	–	<b>214,292,000</b>
Advances from shareholders	35,825,000	6,350,342	–	<b>42,175,342</b>
	250,117,000	6,350,342	–	<b>256,467,342</b>

	2022	Cash Inflows	Payments	2023
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

## **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 period March 31, 2025 are as follows:

	<b>2025</b>
DST on additional subscription of shares charged to expense	<b>0</b>

#### **Taxes and licenses**

Details of the Company's other local and national taxes for the 1<sup>st</sup> quarter are as follows:

	<b>2025</b>
Documentary stamp tax	<b>0</b>
Real property tax	<b>13,789.75</b>
Business permits	<b>4,391.62</b>
Annual BIR registration fee	<b>0</b>
Community tax	<b>500</b>
	<b>18,681.37</b>

#### **Withholding Taxes**

Withholding taxes paid by the Company for the 1<sup>st</sup> quarter are as follows:

	<b>2025</b>
Expanded withholding taxes	<b>46,841.80</b>
Withholding tax on compensation	<b>234,217.79</b>
	<b>281,059.59</b>

#### **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.

\* \* \*



**ACE MC GENSAN**  
Statement of Financial Condition  
MARCH 31, 2025, 2024, and 2023

STATEMENT OF FINANCIAL POSITION	As of March 31		
	2025	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	449,900	1,426,332	6,106,380
Advances and Other Receivables	1,323,932	6,631,973	189,225
Prepayments	0	16,275	48,000
Rental Deposits	14,000	14,000	0
	<u>1,787,832</u>	<u>8,088,580</u>	<u>6,343,605</u>
<b>Non-Current Assets</b>			
Construction-In-Progress	629,365,122	595,008,477	551,348,382
Property and Equipment (net)	90,862,037	90,945,612	90,987,508
Advances to Suppliers & Contractors	26,099,000	26,099,000	24,369,000
	<u>746,326,159</u>	<u>712,053,089</u>	<u>666,704,890</u>
<b>TOTAL ASSETS</b>	<b><u>748,113,991</u></b>	<b><u>720,141,670</u></b>	<b><u>673,048,495</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable and Other Liabilities	62,161,725	50,224,066	38,119,886
	<u>62,161,725</u>	<u>50,224,066</u>	<u>38,119,886</u>
<b>Non-Current Liabilities</b>			
Notes Payable	214,292,000	214,292,000	204,092,000
Advances from Shareholders	42,175,342	27,750,000	35,455,567
	<u>256,467,342</u>	<u>242,042,000</u>	<u>239,547,567</u>
<b>TOTAL LIABILITIES</b>	<b><u>318,629,067</u></b>	<b><u>292,266,066</u></b>	<b><u>277,667,453</u></b>
<b>Equity</b>			
Share Capital	166,120,000	162,120,000	156,180,000
Share Premium (net)	310,905,445	294,863,533	249,428,658
Revaluation Increment on Land	51,301,213	51,301,213	51,301,213
Deficit	-98,841,734	-80,409,142	-71,728,829
<b>TOTAL EQUITY</b>	<b><u>429,484,923</u></b>	<b><u>427,875,604</u></b>	<b><u>385,181,042</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>748,113,991</u></b>	<b><u>720,141,670</u></b>	<b><u>662,848,495</u></b>

**ACE MC GENSAN**  
Statement of Profit and Loss  
March 31, 2025, 2024, and 2023

<b>STATEMENT OF COMPREHENSIVE INCOME (LOSS)</b>	For the Period Ending March 31		
	2025	2024	2023
Revenue	0	0	0
Direct Costs	0	0	0
Gross Profits	0	0	0
Other Income	844,212	610	3,656
Gross Income	844,212	610	607
Gen. and Administrative Costs	3,685,216	1,808,681	4,580,717
Income (Loss) from Operations	-2,841,003	-1,808,071	-4,580,110
Finance Cost	0	0	0
Net Income (Loss) Before Income Tax	-2,841,003	-1,808,071	-4,580,110
Provision for Income Tax	0	0	0
Net Income (Loss) for the Year	-2,841,003	-1,808,071	-4,580,110
Other Income (Loss)	0	0	0
<b>Total Comprehensive Income (Loss)</b>	<b>-2,841,003</b>	<b>-1,808,071</b>	<b>-4,580,110</b>

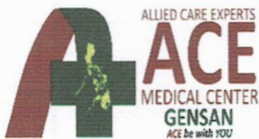
<b>General and Administrative Costs</b>	For the Period Ending March 31		
	2025	2024	2023
Salaries and Wages	2,258,098	471,646	1,910,209
Honorarium	532,000	91,000	1,209,000
Transpo & Travel Expenses	178,912	146,993	193,438
Meals and Meeting Expenses	18,103	0	40,504
Legal Fees	185,000	117,000	0
Ads & Mktg Expenses	89,689	98,009	232,194
Repairs/Maintenance	68,193	37,887	12,451
Rent Expenses	61,412	68,790	66,633
Security Services	47,343	35,507	0
Taxes & Licenses	37,716	497,734	529,343
13th Month Pay Expense	36,646	33,913	10,150
Stationeries & Office Supplies	33,129	38,840	34,960
Depreciation	31,950	35,921	33,212
SSS, PHIC, HDMF Contributions	30,883	38,615	40,890
Communication, Light, Water Expenses	29,954	35,021	8,791
Professional Fees	21,789	38,158	136,053
Fuel and Lubricants	13,030	9,250	20,858
Others	7,000	0	0
Bank Charges	2,450	690	3
Penalties and Surcharges	0	0	82,751
Miscellaneous	1,073	13,707	19,277
Postage & Courier Services	845	0	0
	<b>3,685,216</b>	<b>1,808,681</b>	<b>4,580,717</b>

**ACE MC GENSAN**  
Statement of Changes in Equity  
End of September 2024

Changes in Equity	Share Capital	Share Premium	Revaluation Increment on Land	Deficit	Total
<b>EQUITY</b>					
As at January 1, 2021	143,210,000	64,730,000	51,301,213	-37,759,922	221,481,291
Share Capital	6,940,000				6,940,000
Proceeds from Subscriptions Receiv	1,800,000				1,800,000
Share Premium		105,563,501			105,563,501
Net Loss for the Year				-13,609,972	-13,609,972
As at December 31, 2021	151,950,000	170,293,501	51,301,213	-51,369,894	322,174,820
Share Capital	1,570,000				1,570,000
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
Share Capital	3,950,000				3,950,000
Proceeds from Subscriptions Receivable				9,561,572	9,561,572
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
Share Capital	5,600,000				5,600,000
Proceeds from Subscriptions Receiv	1,890,000				1,890,000
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
Share Capital					0
Proceeds from Subscriptions Receiv	1,160,000				1,160,000
Share Premium		1,667,962			1,667,962
Net Loss for the Year				-2,841,003	-2,841,003
<b>As at March 31, 2025</b>	<b>166,120,000</b>	<b>310,905,445</b>	<b>51,301,213</b>	<b>-98,841,734</b>	<b>429,484,924</b>

**ACE MC GENSAN**  
**STATEMENTS OF CASH FLOW**  
**March 31, 2025 and 2024**

	For the Period ended March 31	
	2025	2024
<b>Cash Flows from Operating Activities</b>		
Net Loss before taxes	-2,841,003	-1,808,071
Adjustments to reconcile net loss before tax to net cash used in operating activities:		
Depreciation		
Interest Income	-109	-610
Operating cash flows before changes in working capital	-2,841,112	-1,808,681
Changes in working capital components:		
Decrease (increase) in current assets:		
Other Receivables	-294,427	1,013,400
Prepayments	0	-16,275
Rental Deposits	0	15,500
Increase (decrease) in current liabilities:		
Accounts payable and other liabilities	-191,274	1,682,418
Net cash provided by/(used in) operations	-3,326,814	886,362
Interest received	109	610
Net cash provided by/(used in) operating activities	-3,326,705	886,972
<b>Cash Flows from Investing Activities</b>		
Additions to construction in progress	-6,629,844	-16,046,425
Additions to property and equipment (net)	27,750	-53,434
Net cash used in investing activities	-6,602,094	-16,099,859
<b>Cash Flows from Financing Activities</b>		
Proceeds from (Payments of) Loans	0	0
Proceeds from (payment of) advances from shareholders	6,350,342	0
Proceeds from Subscriptions receivable		
Issuance of share capital	1,160,000	4,650,000
Additional paid-in Capital	1,667,962	7,848,816
Net cash provided by financing activities	9,178,304	12,498,816
Net increase (decrease) in Cash and Cash Equivalent	-750,494	-2,714,071
Cash and Cash Equivalents, Beg.	1,200,394	4,140,404
<b>Cash and Cash Equivalents, End</b>	<b>449,900</b>	<b>1,426,333</b>
	449,900	1,426,332
	-0	1



**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**

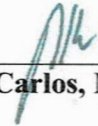
The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the Philippine Financial 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 C. Samoro, M.D.**  
President

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

Signed this 16<sup>th</sup> day of April, 2025

  
JUN 16 2025  
SWORN TO BEFORE ME THIS  
AT GENERAL SANTOS CITY, PHILIPPINES,  
DATE/S SUBMITTED HIS/HER/THEIR RESPECTIVE VALID ID'S  
KNOWN ABOVE BELOW HIS/HER/THEIR NAME/S.  
**ATTY. ALMA J. GOCHOPE-AGAYAN**  
NOTARY PUBLIC FOR GENERAL SANTOS CITY  
UNTIL DECEMBER 31, 2025  
ROLL OF ATTORNEYS NO. 60302  
PTR GS NO. 1520140A; 12/23/24 (FOR 2025)  
IBP NO. 489599; 12/23/24 (FOR 2025)  
TIN 931-039-023; BIR  
MCLE COMP. NO. VII-0033368 VALID UNTIL 04/14/2028



**dimaculangan,  
dimaculangan and co. cpa's**

**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

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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

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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**



**dimaculangan,  
dimaculangan and co. cpa's**

**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.

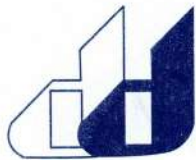
*Auditor's Responsibilities for the Audit of the Financial Statements*

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.





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- 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.

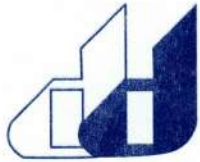
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.



**dimaculangan,  
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)

ASSETS	Notes	As at December 31,	
		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)

		<b>For the Years Ended December 31,</b>		
	<i>Notes</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		-	-	-
<b>DIRECT COST</b>		-	-	-
<b>GROSS PROFIT</b>		-	-	-
<b>INTEREST INCOME</b>	<b>6</b>	<b>1,182</b>	3,869	4,010
<b>GROSS INCOME</b>		<b>1,182</b>	3,869	4,010
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>15</b>	<b>(17,400,842)</b>	(21,017,792)	(15,782,835)
<b>NET LOSS BEFORE TAX</b>		<b>(17,399,660)</b>	(21,013,923)	(15,778,825)
<b>PROVISION FOR INCOME TAX</b>	<b>16</b>	-	-	-
<b>NET LOSS FOR THE YEAR</b>		<b>(17,399,660)</b>	(21,013,923)	(15,778,825)
<b>OTHER COMPREHENSIVE INCOME (LOSS) DURING THE YEAR</b>		-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(17,399,660)</b>	(21,013,923)	(15,778,825)
<b>BASIC LOSS PER SHARE</b>	<b>17</b>	<b>(80.46)</b>	(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
<b>EQUITY</b>					
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)
<b>As at December 31, 2023</b>	<b>157,470,000</b>	<b>287,014,717</b>	<b>51,301,213</b>	<b>(78,601,071)</b>	<b>417,184,859</b>
<b>Proceeds from</b>					
<b>paid up capital</b>	<b>7,490,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,490,000</b>
<b>Proceeds from</b>					<b>-</b>
<b>subscription receivable</b>				<b>-</b>	<b>-</b>
<b>Additional share premium</b>	<b>-</b>	<b>22,222,766</b>	<b>-</b>	<b>-</b>	<b>22,222,766</b>
<b>Net loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,399,660)</b>	<b>(17,399,660)</b>
<b>As at December 31, 2024</b>	<b>164,960,000</b>	<b>309,237,483</b>	<b>51,301,213</b>	<b>(96,000,731)</b>	<b>429,497,965</b>

*(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)

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

*Balance forwarded*

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

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

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### **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)

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#### **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.

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## **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.

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## **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.

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## **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

#### **Financial assets at amortized cost (debt instruments)**

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).

#### **Financial assets fair value through OCI (debt instruments)**

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 EIR 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 EIR. 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.

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## **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*	<b>1,150,394</b>	4,090,404
Advances and other receivables	<b>1,029,505</b>	7,645,373
	<b>2,179,899</b>	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	<b>26,099,000</b>	26,099,000
Property and equipment (net)	<b>90,889,787</b>	90,892,178
Construction-in-progress	<b>622,735,277</b>	578,962,052
	<b>739,724,064</b>	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:

<b>Categories</b>	<b>Estimated Useful Life</b>
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).

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#### **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
	<b>1,200,394</b>	<b>4,140,404</b>

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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.

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#### **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
	<b>1,029,505</b>	<b>7,645,373</b>

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#### **NOTE 8 - ADVANCES TO CONTRACTORS AND SUPPLIERS**

This account consists of:

	2024	2023
Advances to contractors <sup>1)</sup>	18,033,600	18,033,600
Advances to suppliers <sup>2)</sup>	8,065,400	8,065,400
	<b>26,099,000</b>	<b>26,099,000</b>

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<sup>1)</sup> 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.

<sup>2)</sup> 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
<b>Cost:</b>				
At beginning of year	39,334,287	750,957	160,000	40,245,244
Additions	-	135,453	-	135,453
<b>At end of year</b>	<b>39,334,287</b>	<b>886,410</b>	<b>160,000</b>	<b>40,380,697</b>
<b>Accumulated depreciation:</b>				
At beginning of year	-	547,612	106,667	654,279
Depreciation	-	100,511	37,333	137,844
<b>At end of year</b>	<b>-</b>	<b>648,123</b>	<b>144,000</b>	<b>792,123</b>
<b>Revaluation increment on Land</b>	<b>51,301,213</b>	<b>-</b>	<b>-</b>	<b>51,301,213</b>
<b>Net carrying value, December 31, 2024</b>	<b>90,635,500</b>	<b>238,287</b>	<b>16,000</b>	<b>90,889,787</b>

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

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

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.

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

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.

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#### **NOTE 11 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

This account consists of:

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

<sup>1)</sup> 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
	<b>214,292,000</b>	<b>214,292,000</b>

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 collateralized 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.

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**NOTE 14 - SHARE CAPITAL - net**

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

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

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
<b>Total authorized share capital</b>	<b>240,000</b>	<b>240,000,000</b>
Subscribed share capital:		
Founders' shares	600	600,000
Common shares	147,270	147,270,000
Preferred shares	60,000	60,000,000
<b>Total subscribed share capital</b>	<b>207,870</b>	<b>207,870,000</b>
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
<b>Total paid-up share capital</b>	<b>199,470</b>	<b>157,470,000</b>

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 FIFTY (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.

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**NOTE 15 - GENERAL AND ADMINISTRATIVE EXPENSES**

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Details of account consists of:

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

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**NOTE 16 - INCOME TAX**

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

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

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**II. Minimum Corporate Income Tax (MCIT)**

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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.

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**III. Net Operating Loss Carry Over (NOLCO)**

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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.

<b>Year Incurred</b>	<b>Expiration date</b>	<b>Beginning balance</b>	<b>Additions</b>	<b>Expired</b>	<b>Claimed</b>	<b>Ending Balance</b>
<b>NOLCO</b>						
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:

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

#### **IV. Deferred Tax Asset**

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

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

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

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

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## **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.

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

*\*excluding petty cash fund amounting to P50,000 as at December 31, 2024.*

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

*\*excluding petty cash fund amounting to P50,000 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
<b><u>Financial Assets:</u></b>					
Cash*	1,150,394	-	-	-	1,150,394
Advances and other receivables	1,029,505	-	-	-	1,029,505
	<b>2,179,899</b>	-	-	-	<b>2,179,899</b>

\*Excluding petty cash fund amounting to P50,000 as at December 31, 2024.

**Financial Liabilities:**

Accounts payable and other liabilities**	62,291,210	-	-	-	62,291,210
Notes payable	-	-	45,001,320	169,290,680	214,292,000
	<b>62,291,210</b>	-	<b>45,001,320</b>	<b>169,290,680</b>	<b>276,583,210</b>

\*\*Excluding government liabilities amounting to P61,789 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
<b><u>Financial Assets:</u></b>					
Cash*	4,090,404	-	-	-	4,090,404
Advances and other receivables	7,645,373	-	-	-	7,645,373
	<b>11,735,777</b>	-	-	-	<b>11,735,777</b>

\*Excluding petty cash fund amounting to P50,000 as at December 31, 2023.

**Financial Liabilities:**

Accounts payable and other liabilities**	47,935,370	-	-	-	47,935,370
Notes payable	-	-	45,001,320	169,290,680	214,292,000
	<b>47,935,370</b>	-	<b>45,001,320</b>	<b>169,290,680</b>	<b>262,227,370</b>

\*\*Excluding government liabilities amounting to P 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
<b>Financial Assets:</b>				
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
	<b>2,179,899</b>	<b>2,179,899</b>	11,735,777	11,735,777

\*Excluding petty cash fund amounting to P50,000 as at December 31, 2024 and 2023.

<b>Financial Liabilities:</b>				
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
	<b>312,408,210</b>	<b>312,408,210</b>	289,977,370	289,977,370

\*\*Excluding government liabilities amounting to P61,789 and P606,278 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)
<b>Financial Assets:</b>			
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.

<b>Financial Liabilities:</b>			
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)
<b>Financial Assets:</b>			
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.

<b>Financial Liabilities:</b>			
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:

	<b>2024</b>
DST on additional subscription of shares charged to expense	<b>56,230</b>

#### **Taxes and licenses**

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

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

#### **Withholding Taxes**

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

	<b>2024</b>
Expanded withholding taxes	<b>948,361</b>
Withholding tax on compensation	<b>2,123,444</b>
	<b>3,071,805</b>

#### **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.

\* \* \*

## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

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

As of December 31, 2024

Ratio	Formula	December 31, 2024	December 31, 2023
<b><u>Liquidity Ratios:</u></b>			
Current Ratio	Current Assets	2,243,899	11,815,277
	Current Liabilities	62,352,999	48,541,648
		<u>0.04:1</u>	<u>0.24:1</u>
Quick Ratio	Quick Assets	2,229,899	11,785,777
	Current Liabilities	62,352,999	48,541,648
		<u>0.04:1</u>	<u>0.24:1</u>
<b><u>Solvency Ratios:</u></b>			
Debt-to-Equity Ratio	Total Liabilities	312,469,999	290,583,648
	Total Equity	429,497,965	417,184,859
		<u>0.73:1</u>	<u>0.70:1</u>
Asset-to-Equity Ratio	Total Assets	741,967,964	707,768,507
	Total Equity	429,497,965	417,184,859
		<u>1.73:1</u>	<u>1.69:1</u>
<b><u>Profitability Ratios:</u></b>			
Interest Rate Coverage Ratio	Net Income (Loss) Before Interests and Taxes	(17,399,660)	(21,013,923)
	Interest Expense	-	-
		<u>N/A</u>	<u>N/A</u>
Return on Equity	Net Profit (Loss)	(17,399,660)	(21,013,923)
	Total Equity	429,497,965	417,184,859
		<u>-4.05%</u>	<u>-5.04%</u>
Return on Assets	Net Profit (Loss)	(17,399,660)	(21,013,923)
	Total Assets	741,967,964	707,768,507
		<u>-2.35%</u>	<u>-2.97%</u>
Net Profit Margin	Net Profit (Loss)	(17,399,660)	(21,013,923)
	Revenues	-	-
		<u>N/A</u>	<u>N/A</u>

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

**Statement of Accumulated Deficit**

**As at December 31, 2024**

<b>Accumulated Deficit, beginning of the year</b>	<b>₱</b>	<b>(78,601,071)</b>
<b>Net loss incurred for the year</b>		
Net Loss for the year		(17,399,660)
<hr/>		
<b>Accumulated Deficit, end of the year</b>	<b>₱</b>	<b>(96,000,731)</b>
<hr/>		



## SCHEDULES

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

As at December 31, 2024

#### Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	1,200,394	N/A	1,182
Advances and other receivables	N/A	1,029,505	N/A	N/A

#### Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#### Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#### Schedule D. Long –Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” in related statement of financial position
Notes payable	214,292,000	-	214,292,000

#### Schedule E. Indebtedness to Related Parties (Long –Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Advances from shareholders	27,750,000	35,825,000

#### Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

#### Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Founders’ Shares	600	600	-	-	44	-
Common Shares	179,400	150,130	-	-	44	-
Preferred Shares	60,000	60,000	-	-	44	-



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**Annex J**

**DRAFT COPY**

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF ALLIED CARE EXPERTS (ACE) MEDICAL CENTER–GENSAN, INC.**

Conducted Via Zoom Teleconferencing

Custard Apple Outsourcing Inc Office  
#22 Atis Street Extension  
General Santos City

on July 8, 2024

-----

**I. Invocation**

Dr. Natividad M. Torre led the opening prayer to start off the annual meeting.

**II. Call to Order**

The Chairman called the meeting to order at around 8:00 in the morning.

**III. Declaration of Quorum:**

The Corporate Secretary, Dr. Geanie A. Cerna-Lopez, confirmed that the notice for the meeting was published both online and in print in *Malaya Business Insight* and *The Manila Times* on June 17 and 18, 2024. Additionally, the notice of the meeting, along with the definitive information statement and the Corporation's 2022 SEC Form 17-A, was posted on the Corporation's website on June 18, 2024, and May 24, 2024, respectively.

The Corporation has 1,809 stockholders collectively holding 151,920 shares of its outstanding capital stock. Each share grants one vote, except in the election of directors, where votes are multiplied by the number of nominees to be elected.

The Corporate Secretary, Dr. Geanie A. Cerna-Lopez, certified that a quorum was present, with stockholders representing at least 83% of the outstanding capital stock attending either in person or by proxy; 73.86 % attended personally and 26.14 % were represented by proxy. The list of attendees is attached hereto as Annex "A".

**IV. Welcome Message from the Chairman**

The Chairman, Dr. Fernando P. Carlos, warmly welcomed all the stockholders and guests. He stated that the meeting aims to provide a comprehensive update on the status of the Corporation, with a particular focus on the hospital project, with the President and Treasurer who provided insights into the business and financial standing of the Corporation.



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As this marks the Chairman's first year in his position, by acknowledging the legacy of Dr. Amado Enriquez, the Chairman expressed his commitment to advancing the Corporation's mission and vision.

#### **VI. Reading and Approval of the Minutes of the Annual Stockholders' Meeting on December 21, 2023**

The minutes of the 2023 Annual Stockholders' Meeting were displayed on the screen. Engr. Generoso M. Orillaza motioned for their approval, which was seconded by Dr. Jocelyn S. Frial. With no objections raised, the minutes of the December 21, 2023 meeting were unanimously approved by 125,660 shares of the outstanding capital stock present during the meeting.

#### **VII. Presentation and Approval of the Y2023 Audited Financial Statements**

The Assistant Corporate Treasurer, Dr. Marietta T. Samoy, under the supervision of the Corporate Treasurer, presented the financial status of the Corporation for the year ending 2023. A copy of the financial statement for the fiscal year 2023 was made available on the Company's website.

Key highlights from Dr. Samoy's report:

Total Assets increased by about 9% or PhP59,162,156 in 2023.



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

ASSETS	Notes	As at December 31,	
		2023	2022
<b>CURRENT ASSETS</b>			
Cash	6	4,140,404	2,062,256
Advances and other receivables	7	7,645,373	104,538
Prepayments		29,500	48,000
		11,815,277	2,214,794
<b>NONCURRENT ASSETS</b>			
Construction in progress	10	578,962,052	531,051,726
Property and equipment (net)	9	90,892,178	90,970,831
Advances to contractors and suppliers	8	26,099,000	24,369,000
		695,953,230	646,391,557
<b>TOTAL ASSETS</b>		707,768,507	648,606,351
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other liabilities	11	48,541,648	35,151,573
<b>NONCURRENT LIABILITIES</b>			
Notes payable	12	214,292,000	214,292,000
Advances from shareholders	13	27,750,000	35,455,567
		242,042,000	249,747,567
<b>TOTAL LIABILITIES</b>		290,583,648	284,899,140
<b>EQUITY</b>			
Share capital - net	14	157,470,000	153,520,000
Share premium-net	14	287,014,717	226,034,717
Revaluation increment on land	9	51,301,213	51,301,213
Deficit	1	(78,601,071)	(67,148,719)
		417,184,859	363,707,211
<b>TOTAL LIABILITIES AND EQUITY</b>		707,768,507	648,606,351

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



The Company has sufficient internal controls and risk management system to ensure the efficient management of the various risks concomitant to our hospital business.

The Company's external auditor is the auditing firm of Dimaculangan, Dimaculangan and Co., CPAs



The aggregate annual external audit fees billed for year 2023 was P176,758.40. The said fees include: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of our financial statements (P 145,000.00); 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 March 31, 2023.

Since its incorporation in 2016, the Company has not declared dividends, as business operations have yet to commence. As outlined in the By-Laws, dividends will be declared and distributed from unrestricted retained earnings in the form of cash, property, or stock, based on outstanding shares held by stockholders, at the discretion of the Board of Directors.

Dr. Natividad M. Torre moved for the ratification of the 2023 Audited Financial Report, which was seconded by Dr. Noel R. Alolod. With no objections, the attending stockholders, representing 125,660 shares, ratified the Corporation's 2023 Audited Financial Statements.

## **VIII. President's Report**

### **Opening Remarks**

- The 8th Annual Stockholders' Meeting of ACE Gensan was officially opened.
- Acknowledgment of key figures, including:
  - Dr. Amado Manual Enriquez Jr. (Founder of ACE Group of Hospitals)
  - Dr. Fernando Carlos (Chairman of the Board)
  - Board of Directors, founders, and stockholders.
- Emphasis on the meeting's importance for transparency, progress updates, and strategic direction.

### **Key Topics Reported**

1. Historical Background
  - ACE Gensan was incorporated last June 10, 2016 with a primary purpose to establish and operate hospitals.
  - Certificate of Permit to Offer Securities for Sale was approved on June 18, 2019, allowing initial public offering (IPO) on stocks.
  - The hospital is governed by a 15-member Board of Directors.
2. Construction Updates
  - Project delays due to the global pandemic and a major earthquake.
  - The earthquake prompted the company to conduct structural reassessment was to ensure safety.
  - Revised construction plan was deemed in order for the resumption of the construction: phased completion of the first three floors with a target of initial operations at Level 2 hospital (65 beds) was recommended.
  - Breakdown of hospital floors and key departments:
    - Ground Floor – OB-GYN, Cardio Center, Clinical Lab, Radiology, Rehabilitation Facility, Hemodialysis Center, Pharmacy, Emergency Unit and Respiratory Unit



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- Second Floor – ICU Complex, Endoscopy, Oncology, Neonatal ICU, Operating and Delivery Room.
- Third Floor – Patient wards and rooms.
- Alvento Ignacio Architectural Designs oversees the project.
- Project timeline: Major construction expected by December 2025; minor works by Q1 2026 such as painting works, site development, etc.; Start of Operation : between 1<sup>st</sup> and 2<sup>nd</sup> Quarter of Y2026
- 3. Financial Overview
  - Sources of Funds:
    - Initial capitalization from founders
    - IPO proceeds
    - Loans from founders and Land Bank of the Philippines (LBP)
  - LBP Loan Terms:
    - Term Loan 1 – ₱500M for construction
    - Term Loan 2 – ₱150M for equipment
  - Total Amount of LBP Loan Drawdown:
    - ₱214,292,000.00
  - IPO Status:
    - 52% of 3,600 blocks of common shares sold as of December 31, 2023.
  - Market Price, Dividend and Related Stockholder Matters
    - Market Price remains at ₱250,000 per block or 10 common shares.
    - No dividends declared in 2021, 2022, and 2023.
    - No legal, tax, or regulatory issues reported.
  - Financial Condition (as of March 31, 2024):
    - Total Assets – ₱720,141,414
    - Total Liabilities – ₱292,266,066
    - Total Equity – ₱427,875,348
- 4. Key Financial Indicators
  - Liquidity : Figures remain low due to ongoing construction.
  - Solvency : Ratios have improved due to loan repayments during the year
  - Profitability and Return on Equity : No financial data yet given that the hospital is still on construction phase.
  - Leverage : Assets cover obligations but are mostly tied to property and construction; equity is at 59%, with potential improvement through higher securities sales and lower expenses.

#### Corporate Governance

- Board of Directors: 15 members, including three independent directors.
- Committees:
  1. Audit Committee
  2. Corporate Governance Committee
  3. Nomination and Election Committee
  4. Compensation and Remuneration Committee
- Regular Meetings Conducted:
  1. Weekly construction and coordination meetings
  2. Bi-monthly staff meetings
  3. Monthly Board meetings
  4. Annual Stockholders' meeting

#### Conclusion

- Despite major setbacks, ACE Gensan remains committed to project completion.



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- The hospital's mission of Altruism, Compassion, and **Excellence** remains strong.
- Stockholders were encouraged to stay engaged and support the Corporation's vision.
- Report ended with appreciation for all stakeholders

#### **IX. Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation for the Period from December 22,2023 to July 7, 2024**

Dr. Jean D. Alcover-Banal moved for the ratification of all acts and proceedings carried out by the Board of Directors, Officers, and Management of the Corporation from December 22, 2023 to July 7, 2024. The motion was duly seconded by Engr. Generoso M. Orillaza. A list of the corporate acts subject to ratification was displayed on the screen. Subsequently, the stockholders, representing 125,660 shares of the outstanding capital stock, approved the ratification of all actions and decisions made by the Board of Directors, Officers, and Management during the specified period.

#### **X. Election of Directors for the Year 2024-2025**

The voting process was conducted through the Webinar voting poll launched during the meeting. Votes were cast in favor of the 15 nominees, who were subsequently declared the duly elected members of the Board of Directors for the 2024-2025 term.

The following were elected as members of the Board of Directors for the year 2024-2025:

Names of Nominees	Number of Votes
1. Dr. Marietta T. Samoy	89,718
2. Dr. Fredilyn G. Samoro	132,367
3. Dr. Geanie Cerna-Lopez	94,448
4. Dr. Amado Manuel C. Enriquez, Jr.	106,887
5. Dr. Ma. Editha Lou C. Pacis	97,944
6. Dr. Jasmin L. Montecillo	94,105
7. Dr. Natividad M. Torre	203,809
8. Dr. Francisco N. Lorenzo	92,927
9. Dr. Ferjanel G. Biron	414,181
10. Dr. Fernando P. Carlos	94,019
11. Dr. Francis G. Lavilla	131,375
12. Engr. Generoso M. Orillaza	84,661

#### **Independent Directors**

1. Dr. Jean D. Alcover-Banal	85,891
2. Dr. Darwin P. Corpuz	84,356
3. Dr. Stephen D. Salvilla	84,669

#### **VII. Appointment of External Auditor for Year 2024**

Dr. Jasmin Montecillo moved for the appointment of Dimaculangan, Dimaculangan and Co., CPAs as the Corporation's External Auditor for the year 2024, with the audit fee to be determined by management. The motion was duly seconded by Dr. Darwin Corpuz. With no objections from the stockholders, the appointment was approved by the stockholders, representing 125,660 shares of the outstanding capital stock.




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### **VIII. Adjournment**

With no further matters to discuss, the meeting was adjourned at around 8:54 AM following a motion by Dr. Natividad M. Torre, which was duly seconded by Dr. Jocelyn S. Frial.

Prepared by:

  
**Geanie Cerna-Lopez, M.D.**  
Corporate Secretary

Attested by:

  
**Fernando P. Carlos, M.D.**  
Chairman





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## ANNEX “A”

### List of Attendees

1	Carlos, Fernando P.	Director/Chairman
2	Cerna-Lopez, Geanie A.	Director/Corporate Secretary
3	Enriquez, Amado Manuel Jr. C.	Director
4	Samoro, Fredilyn G.	Director/President
5	Samoy, Marietta T.	Director/Asst. Corporate Treasurer
6	Alolod, Noel R.	Asst. Corporate Secretary
7	Frial, Jocelyn S.	
8	Torre, Natividad M.	Director/Vice President
9	Orillaza, Generoso M.	Director
10	Orillaza, Marissa A.	
11	Lavilla, Francis Roy G.	Director
12	Cerna, Ma. Flora May M.	
13	Alcover, Jean D.	Independent Director
14	Cho, Joana Rea Endaya	
15	Cinco, Kenneth Mroland Duena	
16	Lorenzo, Francisco N.	Director/Vice Chairman
17	Montecillo, Jasmin L.	Director/ Corporate Treasurer
18	Fernandez, Joseph Sevilla	
19	Flordeliz, Zeny Falalimpa	
20	Enriquez, Marilyn R.	
21	Enriquez, Michael Edward R.	
22	Enriquez, Miguel Antonio R.	
23	Henares, Merliza Ganados	
24	Mabalot, Mielah Rose Guillero	
25	Mabalot, Nathaniel Aposaga	
26	Mirabueno, Brick Carlo Limpin	
27	Nuñez, Jyf Lorenz Atonducán	
28	Passionist Fathers In the Philippines, Inc. ( Fr. Mark Ian Peliño, CP )	
29	Biron, Ferjenel G.	Director
30	Pacis, Ma. Editha Lou C.	Director
31	Quesada, Cheryl Embalsado	
32	Rivera, Mary Ann Salomon	
33	Rubin, Leslie Duran	
34	Sarona, Alixander Libatan	
35	Sevilla, Farah Yerro	
36	Subang, Ronald Del Valle	
37	Tupas, Wenro Jr. Tandug	
38	Villena, Monalisa Arellano	



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39	Ygnalaga, Basilisa Molina	
40	Babar, Hiyasmin Clarissa B.	
41	Lavilla, Meride D.	
42	Biron, Brandt Luke Quan	
43	Acharon, Joahanna Abinion	
44	Salangsang, Rodrigo Jr. K.	
45	Alavar, Catherine Dacera	
46	Alfafara, Joyce Suzzane Andres	
47	Avila, Virgilio Jr. Poblador	
48	Ayuda, Nelson Barroga	
49	Barao, Liezel Lim	
50	Bernabe, Antoneth Beronio	
51	Bingil, Paul Clarence Baltazar	
52	Bongcayao, Mark Saab	
53	Calumpang, Aurelio Estores	
54	Carisma, Zosima Tecson	
55	Casinto, Carlo Domingo Cania	
56	Cawit, Edelito Jr. Macas	
57	Clarisa, Chrisamor Ilumba	
58	Clua, Roville Cristobal	
59	Coffey, Elizabeth Mejia	
60	Conche, Michael Castillanes	
61	Salvilla, Stephen D.	Independent Director
62	Villaflor, Agnes Jean M.	
63	Condes, Eireen De Jesus	
64	Delos Reyes, Reco Prospero S.	
65	Delos Reyes, Veralou	
66	Dumlao, Jose Remus Jr. G.	
67	Estorninos, Carlito Escovidal	
68	Gecosala, Kevin Rodriguez	
69	Gecosala, Kevin Rodriguez	
70	Ginez, Darwin Saludo	
71	Guitarte, Shermae Aileene Laron	
72	Gunay, Ryan S./Gunay, Fredelyn Atty.	
73	Imbong, Ferlyn Ann Valdez	
74	Jacob, Shermae Lyn Laron	
75	Jose, Evangeline Gulmatico	
76	Labrador, Lois Shanti P.	
77	Lara, Ranee Lee Boone Ampuyas	
78	Lozano, Christian Lodel Candia	
79	Mama, Oscar Alabat	
80	Monares, Isidro Nono	
81	Nacional, Jeffrey Olegario	
82	Nogralles, Helen Bastareche	



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83	Nogralles, Neil Edrian Bastareche	
84	Payosalan, Joel Almeda	
85	Peñaflorida, Tessie Elliot	
86	Peñalosa, Georgia Larissa Cordero	
87	Piñero, Melchor Jay Tano	
88	Piñero, Melchor Jay Tano	
89	Sepulchre, Melanie Mae Rama	
90	Siason, Pureza Panlaque	
91	Sumergido, Andrea Bella Quevedo	
92	Tolimao, Jimmy Ruiz	
93	Turingan, John Rodney Flores	
94	Turingan, Nenita Flores	
95	Villaverde, Isa Dorothy Allen	
96	Weber, Catalina Menaje	
97	Balmes, Ivan Paul Banayat	
	Present by Proxy	
98	Arias, Melannie Marie C.	
99	Balay, Angelito Yat L.	
100	Corpuz, Darwin P.	
101	Crisostomo, Kenneth C.	
102	Cu, Eugenio G.	
103	De Castro, Felicisimo D.	
104	Edang, Jose M.	
105	Gabor, Maria Sonrisa Dlc	
106	Gagwis, Raymund G.	
107	Gagwis, Rhodora G.	
108	Garcia, Rodney Jun M.	
109	Guazo, Mary Aileenette O.	
110	Lazara, Carlos li D.	
111	Montecillo, Rex Jeffrey P.	
112	Regozo, Danilo C.	
	Guests	
113	Melanie Cancer	ACEMC Gensan Staff
114	Shiela Mae Eldian	ACEMC Gensan Staff
115	Cristine Khate Lejarso	ACEMC Gensan Staff
116	Janno Antiporda	ACEMC Gensan Staff
117	Elmer Samoro	Chief Accounting Officer
118	Susmitah Singh	External Auditor
119	Marites Dimaculangan	External Auditor
120	Corady Caling	Administrative Manager



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## ANNEX “B”

### ATTENDANCE OF DIRECTORS FOR THE YEAR 2023

	Name of Director	01.21. 2023	02.18. 2023	03.13. 2023	04.15. 2023	05.20. 2023	06.17. 2023	07.15. 2023	08.19. 2023	09.24. 2023	10.23. 2023	11.18. 2023	12.16. 2023	% of Attendance
1	ALOLOD, NOEL R.	P	P	P	P	P	P	P	P	P	P	A	P	91.67
2	BIRON, FERJENEL G.	A	A	A	A	P	P	A	P	A	P	P	P	50.00
3	CERNA-LOPEZ, GEANIE A.	P	P	P	A	P	P	P	P	A	P	P	P	83.33
4	CORPUZ, DARWIN P.	A	P	P	P	P	P	P	P	P	P	A	P	83.33
5	ENRIQUEZ, AMADO MANUEL JR. C.	A	P	P	P	P	P	P	P	P	P	P	P	91.67
6	FRIAL, JOCELYN S.	P	P	P	P	P	P	P	A	P	P	P	P	91.67
7	LAVILLA, FRANCIS G.	P	P	P	P	P	P	P	P	P	P	P	P	100.00
8	LORENZO, FRANCISCO N.	P	P	P	P	P	P	P	P	P	P	P	P	100.00
9	ORILLAZA, GENEROSO M. ENGR.	P	P	P	P	P	P	P	P	P	P	P	P	100.00
10	PACIS, MA. EDITHA LOU C.	P	P	P	P	P	P	P	P	P	P	A	P	91.67
11	REGOZO, DANILO C.	A	A	P	P	P	P	P	P	P	P	P	P	83.33
12	SALVILLA, STEPHEN D.	P	P	P	A	A	A	P	P	A	A	A	A	41.67
13	SAMORO, FREDILYN G.	P	P	P	P	P	P	P	P	P	P	P	P	100.00
14	SAMOY, MARIETTA T.	P	P	P	P	P	P	P	P	A	P	P	P	91.67
15	TORRE, NATIVIDAD M.	P	P	P	P	P	P	P	P	P	P	A	P	91.67



### ANNEX “C”

Below is the Board Performance Appraisal Report for the year 2023:

#### **PERFORMANCE ASSESSMENT FOR THE BOARD OF DIRECTORS** (January 1, 2023- December 31, 2023)

Good Corporate Governance Principles and Practices	Rating
1. The Board is composed of competent, hardworking members that foster the long-term success of the corporation and sustain its competitiveness and growth.	5
2. The Board is headed by a competent and qualified chairperson.	4
3. The Board practices diversity which avoids groupthink and ensures that optimal decision-making is achieved.	4
4. The Board members act on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders and all other stakeholders	5
5. The Board oversees the development of and approves the company's business and strategy and monitor its implementation, in order to sustain the company's long-term viability and strength	5
6. The Board ensures an effective succession planning program for directors, key officers and Management to ensure the continuous and consistent growth of the company.	5
7. The Board aligns the remuneration of key officers and board members with the long-term interest of the company.	5
8. The Board has adopted a formal nomination and election policy which provides for the procedures on how the Board accepts nominations.	5
9. The Board ensures the integrity of related party transactions and other unusual transactions, particularly those which pass certain threshold materiality. The Board reviews and approves material RPTs to guarantee fairness and transparency of the transactions.	5
10. The Board has an internal control system in place and a mechanism to monitor and manage potential/actual conflicts of interests of board members, management and shareholders.	5
11. The Board has organized board committees to support the effective performance of the board functions, particularly, with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration.	5
12. The Board endeavors to exercise an objective and independent judgment on all corporate affairs.	4
13. The Board has at least 2 independent directors, or at least 20% of the members of the Board, whichever is higher.	5
14. The Board regularly carries out evaluations to assess its performance as a body, and whether it possesses the right mix of backgrounds and competencies.	5
15. The Board applies high ethical standards, taking into account the interests of all stakeholders.	5
16. The Board has established corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.	5

## Annex K

### Supplementary Schedule of External Auditor Fee-Related Information

<b>Schedule of Payments</b>	<b>Contract Price</b>	<b>VAT</b>	<b>Total</b>
Upon acceptance (Upon signing of the Contract)	49,500.00	5,940.00	<b>55,440.00</b>
Upon Start of Fieldwork	33,000.00	3,960.00	<b>36,960.00</b>
First Progress billing-in progress billing	24,750.00	2,970.00	<b>27,720.00</b>
Second Progress billing-in progress billing	24,750.00	2,970.00	<b>27,720.00</b>
Upon submission of audit report and opinion	33,000.00	3,960.00	<b>36,960.00</b>
Quality Assurance Review (QAR) Fee	5,000.00	600.00	<b>5,600.00</b>
Out of Pocket Expense	24,750.00	2,970.00	<b>27,720.00</b>
<b>Total</b>	<b>194,750.00</b>	<b>23,370.00</b>	<b>218,120.00</b>