



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: ICTD ERMD

Receipt Date and Time: April 29, 2025 11:33:47 PM

Company Information

SEC Registration No.: CS201423954

Company Name: ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.

Industry Classification: N85122

Company Type: Stock Corporation

Document Information

Document ID: OST10429202583229421

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

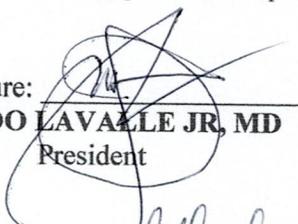
Acceptance of this document is subject to review of forms and contents

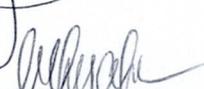
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The management of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo Inc.*) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo Inc.*) complete and correct in all material respects. Management likewise affirms that:

- (a.) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b.) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c.) **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo Inc.*) has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: 
AMADO LAVALLE JR, MD
President

Signature: 
MARY FLOR G. ONG, MD
Board Treasurer

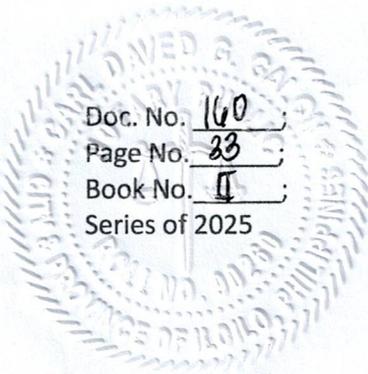
Signature: 
CRIS T. CORTES, CPA
Chief Finance Officer

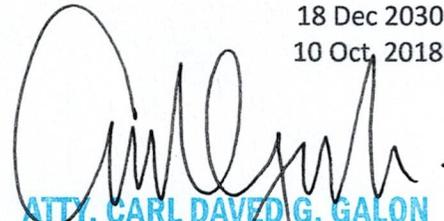
Signed this 27th day of April 2025



SUBSCRIBED AND SWORN to before me this APR 29 2025 with presentation of the following:

| Name | VALID ID | DATE ISSUE/VALID UNTIL |
|----------------------|----------------------|------------------------|
| Amado M. Lavalle Jr. | PRC# 0068822 | 01 Feb 2027 |
| Mary Flor G. Ong | P5987110B | 18 Dec 2030 |
| Cris T. Cortes | TIN# 285-504-577-000 | 10 Oct, 2018 |




ATTY. CARL DAVED G. GALON
Notary Public
For the City and Province of Iloilo
Notarial Commission Reg. No. 159 valid until 12/31/2025
Bik 5, Lot 6, Bolilao, Mandurriao, Iloilo City
Roll No. 90260 - 12/22/2023
IBP No. 497315 - 1/03/2025
PTR No. 8809118 - 1/02/2025



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

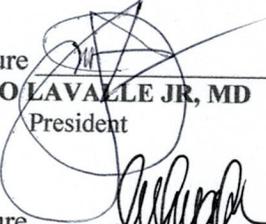
The management of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo Inc.*) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 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.

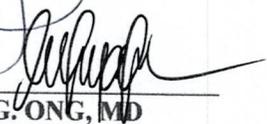
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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, CPAs, 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 
AMADO LAVALLES JR., MD
President

Signature 
MARY FLOR G. ONG, MD
Board Treasurer

Signature 
CRIS T. CORTES
Chief Finance Officer

Signed this 27th day of April 2025

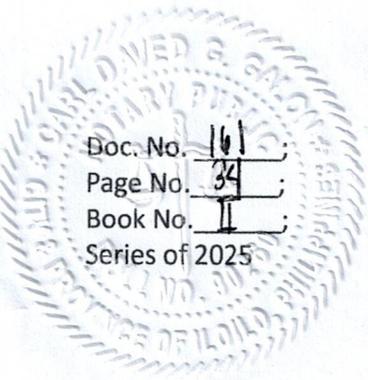


SUBSCRIBED AND SWORN to before me this APR 29 2025 with presentation of the following:

| Name | VALID ID | DATE ISSUE/VALID UNTIL |
|----------------------|----------------------|------------------------|
| Amado M. Lavalle Jr. | PRC# 0068822 | 01 Feb 2027 |
| Mary Flor G. Ong | P5987110B | 18 Dec 2030 |
| Cris T. Cortes | TIN# 285-504-577-000 | 10 Oct 2018 |



ATTY. CARL DAVID G. GALON
Notary Public
For the City and Province of Iloilo
Notarial Commission Reg. No. 159 valid until 12/31/2025
Blk 5, Lot 6, Bolilao, Mandurriao, Iloilo City
Roll No. 90260 - 12/22/2023
IBP No. 497315 - 1/03/2025
PTR No. 8809118 - 1/02/2025



Doc. No. 161;
Page No. 34;
Book No. II;
Series of 2025



Tax Compliance <apmci.taxcompliance@gmail.com>

Tax Return Receipt Confirmation

1 message

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
To: apmci.taxcompliance@gmail.com

Wed, Apr 16, 2025 at 5:50 PM

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

File name: 008922703000-1702RTv2018C-122024.xml

Date received by BIR: 15 April 2025

Time received by BIR: 04:36 PM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH TAX PAYABLE:

Please pay through any of the following ePayment Channels:

Land Bank of the Philippines Link.BizPortal

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

DBP PayTax Online

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

Unionbank of the Philippines

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

Taxpayer Agent/ Tax Software Provider-TSP

- (Gcash/PayMaya/MyEG)

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

Bureau of Internal Revenue



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO ACCOMPANY INCOME TAX RETURN**

The Board of Directors and Stockholders
ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
Brgy. Ungka, Jaro Iloilo City

We have audited the financial statements of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 27, 2025.

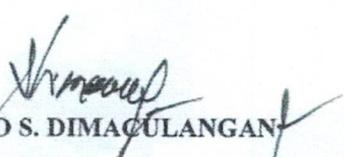
In compliance with Revenue Regulations V-20, we are stating the following:

- a.) No Partner of our Firm is related by consanguinity or affinity to the President, Manager or any member 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 :

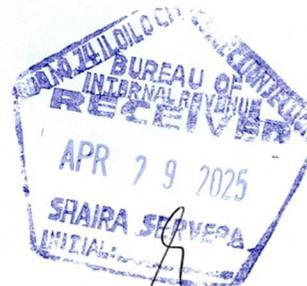
DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S
BOA Accreditation No. 0416, effective until March 19, 2027
SEC Accreditation No. 0416 (Group B), effective February 7, 2023 (for the Audit Period 2022 -2026)
BIR Accreditation No. 08-002906-000-2023, effective until April 14, 2026

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 27, 2025
Makati City
Philippines



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

The Board of Directors and Stockholders
ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
Brgy. Ungka, Jaro Iloilo City

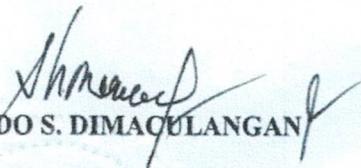
We have audited the financial statements of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 27, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of sixty (60) 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

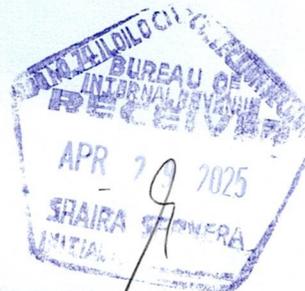
BOA Accreditation No. 0416-001, effective until March 19, 2027

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 27, 2025
Makati City
Philippines



Asia Pacific Medical Center – Iloilo, Inc.

*(Formerly: Allied Care Experts (ACE) Medical Center
- Iloilo Inc.)*

Financial Statements

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

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
Brgy. Ungka, Jaro Iloilo City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo 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 including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 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, the accumulated deficit amounting to ₱742,962,117 and ₱345,203,042 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.

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.





However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010, 19-2020 and 34-2020

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010, 19-2020 and 34-2020 is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo 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 **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** (Formerly: *Allied Care Experts (ACE) Medical Center - Iloilo Inc.*) (the “Company”) as at and for the year ended December 31, 2024 and have issued our report thereon dated April 27, 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 :

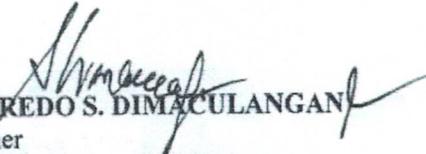
DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S

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 27, 2025
Makati City
Philippines



Room 1608, 16/F Cityland Condominium 10 Tower II,
154 H.V. dela Costa Street, Ayala Avenue North, Salcedo Village, Makati City
Tel. No.: 8892-1858, 7621-6587 • Telefax No.: 8892-1858 • website: www.dimaculangancpas.com

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Peso)

| ASSETS | Notes | As at December 31, | |
|---|-------|----------------------|----------------------|
| | | 2024 | 2023 |
| CURRENT ASSETS | | | |
| Cash | 6 | 13,830,999 | 4,998,949 |
| Receivables | 7 | 77,395,163 | 7,958,575 |
| Advances to contractors | 8 | 26,488,134 | 50,397,948 |
| Advances to suppliers | 8 | 21,088,595 | 7,766,188 |
| Medical and hospital supplies inventories | 9 | 75,662,389 | 2,709,764 |
| Prepayments and other current assets | 10 | 16,812,711 | 1,822,143 |
| | | 231,277,991 | 75,653,567 |
| NON-CURRENT ASSETS | | | |
| Property and equipment (net) | 11 | 2,238,660,948 | 527,822,795 |
| Construction-in-progress | 11 | - | 1,805,205,972 |
| Advances to related parties | 8,15 | 39,030,125 | 39,030,125 |
| Other assets | | 5,035,000 | 5,015,000 |
| | | 2,282,726,073 | 2,377,073,892 |
| TOTAL ASSETS | | 2,514,004,064 | 2,452,727,459 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and other liabilities | 12 | 529,464,018 | 204,702,364 |
| Loans payable to individuals | 13 | 15,703,226 | 20,342,700 |
| Notes payable - current portion | 14 | 15,000,000 | 15,000,000 |
| | | 560,167,244 | 240,045,064 |
| NON-CURRENT LIABILITIES | | | |
| Loans payable to a related party | 15 | 543,871,969 | 393,434,969 |
| Notes payable - net of current portion | 14 | 955,594,306 | 970,594,306 |
| | | 1,499,466,275 | 1,364,029,275 |
| TOTAL LIABILITIES | | 2,059,633,519 | 1,604,074,339 |
| EQUITY | | | |
| Share capital (net) | 16 | 239,960,000 | 239,960,000 |
| Share premium | 16 | 957,372,662 | 953,896,162 |
| Deficit | | (742,962,117) | (345,203,042) |
| | | 454,370,545 | 848,653,120 |
| TOTAL LIABILITIES AND EQUITY | | 2,514,004,064 | 2,452,727,459 |

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



ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in Philippine Peso)

| | Notes | For the years ended December 31, | | |
|--|-------|----------------------------------|---------------|--------------|
| | | 2024 | 2023 | 2022 |
| REVENUE | 17 | 307,910,026 | 5,995,365 | - |
| DIRECT COST | 18 | 268,767,300 | 6,127,455 | - |
| GROSS INCOME (LOSS) | | 39,142,726 | (132,090) | - |
| OTHER INCOME | 6,19 | 1,182,734 | 71,075 | 119,929 |
| GROSS INCOME (LOSS) | | 40,325,460 | (61,015) | 119,929 |
| GENERAL AND ADMINISTRATIVE EXPENSES | 20 | 282,385,327 | 110,301,610 | 22,053,192 |
| LOSS FROM OPERATIONS | | (242,059,867) | (110,362,625) | (21,933,263) |
| FINANCE COSTS | 14,15 | 155,699,208 | 36,970,036 | 30,288,654 |
| NET LOSS BEFORE INCOME TAX | | (397,759,075) | (147,332,661) | (52,221,917) |
| INCOME TAX EXPENSE | 21 | - | 171 | - |
| NET LOSS FOR THE YEAR | | (397,759,075) | (147,332,832) | (52,221,917) |
| OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | | - | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (397,759,075) | (147,332,832) | (52,221,917) |
| BASIC LOSS PER SHARE | 22 | (1,657.61) | (613.99) | (221.59) |

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



ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CHANGES IN EQUITY
(Amounts in Philippine Peso)

| | Share Capital (Note 16) | Share Premium (Note 16) | Deficit (Note 1) | Total |
|--------------------------------|----------------------------|----------------------------|----------------------|----------------------|
| EQUITY | | | | |
| As at January 1, 2022 | 235,060,000 | 726,166,619 | (145,648,293) | 815,578,326 |
| Additional share capital | 610,000 | - | - | 610,000 |
| Share premium | - | 57,117,210 | - | 57,117,210 |
| Net loss for the year | - | - | (52,221,917) | (52,221,917) |
| As at December 31, 2022 | 235,670,000 | 783,283,829 | (197,870,210) | 821,083,619 |
| Additional share capital | 4,290,000 | - | - | 4,290,000 |
| Share premium | - | 170,612,333 | - | 170,612,333 |
| Net loss for the year | - | - | (147,332,832) | (147,332,832) |
| As at December 31, 2023 | 239,960,000 | 953,896,162 | (345,203,042) | 848,653,120 |
| Proceeds from | | | | |
| subscription receivable | - | 3,476,500 | - | 3,476,500 |
| Net loss for the year | - | - | (397,759,075) | (397,759,075) |
| As at December 31, 2024 | 239,960,000 | 957,372,662 | (742,962,117) | 454,370,545 |

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



ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

| | <i>Notes</i> | For the years ended December 31, | | |
|---|--------------|----------------------------------|----------------------|---------------------|
| | | 2024 | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net loss before income tax | | (397,759,075) | (147,332,832) | (52,221,917) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | | |
| Depreciation | 11 | 148,272,068 | 5,394,843 | 879,938 |
| Amortization | 20 | - | - | 8,333 |
| Interest income | 6,19 | (2,106) | (19,158) | (10,028) |
| Interest expense | 14,15 | (155,699,208) | (36,970,036) | (30,288,654) |
| Operating cash outflows before changes in working capital | | (405,188,321) | (178,927,012) | (81,632,328) |
| Changes in working capital components: | | | | |
| Decrease (increase) in current assets: | | | | |
| Receivable | 7 | (69,436,588) | (5,520,519) | 799,497 |
| Medical and hospital supplies inventories | 9 | (72,952,625) | (2,709,764) | - |
| Advances to related parties | 8,15 | - | (3,434,352) | - |
| Advances to contractors | 8 | 23,909,814 | 7,645,069 | (2,956,180) |
| Advances to suppliers | 8 | (13,322,407) | (6,214,534) | 5,120,090 |
| Prepayments and other current assets | | (14,036,648) | (1,262,234) | (233,897) |
| Other non-current assets | | (20,000) | 171 | - |
| Increase (decrease) in current liabilities: | | | | |
| Accounts payable and other liabilities | 12 | 229,246,192 | 46,267,666 | 39,243,989 |
| Net cash used in operations | | (321,800,583) | (144,155,509) | (39,658,830) |
| Income tax paid | 21 | (953,920) | (171) | - |
| Interest received | 6,19 | 2,106 | 19,158 | 10,028 |
| Net cash used in operating activities | | (322,752,397) | (144,136,522) | (39,648,802) |

Balance forwarded



ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

| | <i>Notes</i> | For the years ended December 31, | | |
|--|--------------|----------------------------------|----------------------|----------------------|
| | | 2024 | 2023 | 2022 |
| <i>Forwarded balance</i> | | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Reclassification/(Additions) to construction-in-progress | <i>11</i> | 1,900,721,434 | (242,753,148) | (172,790,751) |
| Additions to property and equipment | <i>11</i> | (1,859,110,221) | (85,772,718) | (30,520,238) |
| Net cash provided by/(used in) investing activities | | 41,611,213 | (328,525,866) | (203,310,989) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Additional share capital | <i>16</i> | - | 4,290,000 | 610,000 |
| Additional share premium | <i>16</i> | - | 170,612,333 | 57,117,210 |
| Proceeds from subscription receivable | | 3,476,500 | - | - |
| Payments of principal on bank loans | <i>14</i> | (15,000,000) | (13,747,867) | (6,307,736) |
| Proceeds on loans payable | <i>14</i> | - | 112,846,275 | 31,485,190 |
| Payments of loans payable to individuals | <i>13</i> | (4,639,474) | (424,000) | (2,233,300) |
| Proceeds of loans payable to a related party | <i>16</i> | 150,437,000 | 155,600,000 | 129,000,000 |
| Payments of advances | | | | |
| Interest paid | <i>14,15</i> | 155,699,208 | 36,970,036 | 30,288,654 |
| Net cash provided by financing activities | | 289,973,234 | 466,146,777 | 239,960,019 |
| NET INCREASE (DECREASE) IN CASH | | 8,832,050 | (6,515,611) | (2,999,772) |
| CASH, beginning of the year | | 4,998,949 | 11,514,560 | 14,514,332 |
| CASH, end of the year | 6 | 13,830,999 | 4,998,949 | 11,514,560 |
| NONCASH INVESTING ACTIVITIES | | | | |
| Accrued interest payable | <i>12</i> | - | 25,635,193 | 6,302,656 |
| Additions to construction-in-progress | <i>12</i> | - | (25,635,193) | (6,302,656) |
| | | - | - | - |

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



ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

ASIA PACIFIC MEDICAL CENTER – ILOILO, 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. CS201423954 on December 10, 2014.

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-hospitals, 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.

The Company is a duly registered Board of Investment (BOI) - Accredited “New Operator of General Hospital” at Level 2 Category on a Non-Pioneering Status with Certificate of Registration No. 2023-065 in accordance with the provisions of the Omnibus Investment Code of 1987 (Executive Order No. 226) and pursuant to Title XIII of the Tax Code of 1997, as amended by Republic Act 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

The Certification entitles the Company to certain major incentives, to wit: (1) Income Tax Holiday (ITH) for six (6) years, Enhanced Deductions for five (5) years and (3) Duty exemptions for eleven (11) years. The Company shall start commercial operations in January 2023 (or within three (3) years from date of registration with the BOI) but availment shall in no case commence earlier than the date of registration with BOI.

The registered office is located at Barangay Ungka, Jaro, Iloilo City, where the hospital construction site is located.

Status of Operations

In 2023, the Company started the commercial operations of its multi-disciplinary medical facility to service the in-patient and out-patient operations, including the emergency medical services. The activation of the respective revenue centers of the hospital has been initiated to achieve full operational capacity and status.

During the year, the Company has generated about P307 Million in revenues from sale of services and goods (net of discounts and returns) over and above its direct operational cost of approximately P268 Million with a resulting P39 Million (more or less) gross income from operations. In spite the recorded net loss for the period, the Management views such indication as a positive trend for the on its way to full operational capacity.



Accordingly, Management also believes that the pre-operating accumulated deficits suffered in prior years amounting to ₱742,962,117 and ₱345,202,869 as at December 31, 2024 and 2023, respectively, will be recovered in the ordinary course of business when full operational capacity is achieved.

The Hospital healthcare system is a highly-specialized endeavor of capital-intensive investments with a vast and sustainable healthcare upgrade infrastructure which normally takes an average of 5 to 7 years (after incorporation) to complete the structures and start-up or inaugurate its business line services. Moreover, the industry peculiarity aspect of this field of endeavor is that it will have to take another 4 or 5 years after inauguration, to recover its initial investments or capex, as well as achieve full 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 2023 and 2022, were approved and authorized for issuance by the Board of Directors on April 27, 2025.

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

Statement of Compliance

Basis of Preparation

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

Basis of Measurement

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

Functional and Presentation Currency

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

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

Adoption of New and Revised Accounting Standards Effective in 2024

The Company adopted all applicable accounting standards and interpretations as at December 31, 2024. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the 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 to 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 on the financial statements of the Company.

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

Unless otherwise indicated the Company does not expect that the future adoption of the said pronouncements to have a significant impact on the financial statements.

The Company intends to adopt the following pronouncements when they become effective;

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*



Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Company presents its 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.

All other assets are classified 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.



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

Fair Value Measurement

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

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible to the Company.

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

A fair value measurement of a 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.



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.

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 (excluding cash on hand) and receivables as at reporting date (see Notes 6 and 7).

Financial assets at 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 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 90 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 depends on their 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.

The Company's financial liabilities include accounts payable and other liabilities (excluding government liabilities), notes payable, loans payable to individuals, and loans payable to a related party (see Notes 12,13,14, and 15).

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 statements of financial position comprise of cash in banks and on hand that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Advances to Contractors and Suppliers

Advances represent deposits or down payments (ranging from 25% to 50%) paid to contractors, merchants and, or broker-agents for specific completion or delivery of contractual obligations or service undertakings, including acquisition of medical machineries or clinical apparatus or equipment and medicinal inventories or supplies. These advances which are already paid but not yet incurred will be recognized either as an asset or an expense upon completion or delivery of such obligations, undertakings or acquisitions.

Prepayments and Other Current Assets

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.

Other current assets represent assets of the Company which are expected to be realized or consumed within one year or within the Company's normal operating cycle whichever is longer. Other current assets are measured initially and subsequently presented in the financial statements at cost.

Medical and Hospital Supplies Inventories

Medical and hospital supplies inventories are initially measured at cost. Cost includes all costs of purchases, cost of conversion and other costs incurred in bringing the medical inventories and hospital supplies to their present location and condition. Medical inventories and hospital supplies are subsequently measured at the lower of cost and estimated selling price less costs to sell (net realizable value). Cost is determined using the first-in, first-out (FIFO) method. At each reporting date, medical inventories and hospital supplies are assessed for impairment. If medical inventories and hospital supplies is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in the statements of comprehensive loss.

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 medical and hospital 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 and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses. Land is carried at cost less any impairment in value. 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 statements 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.

During the year, the Construction-in-progress was closed to Building account.

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 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.

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.

Sale of medical goods

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

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

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.



Costs and Expense Recognition

Costs and expenses are recognized in the profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. Costs and expenses are recognized on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or 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.

Costs and expenses in the statements of comprehensive income are presented using the function of expense method. Direct costs are expenses incurred that are associated with services rendered. General and administrative expenses are costs attributable to general administrative, and other business activities of the Company.

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.

Foreign Currency Transactions

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

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.



Retirement or 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, 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 date, the Company has not yet established a Retirement Benefits Plan for its employees since no employee is entitled to date. The Company just started commercial operation in December 2023.

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.

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.

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.

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.

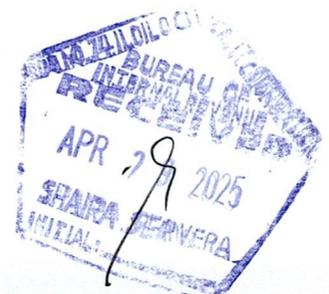
Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects of any change in estimates are reflected in the financial statements 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 Solely Payments of Principal and Interest (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.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso (₱). It is the currency that mainly influences the Company's operations.

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 statement of financial position.

Determination of Whether a Lease is a Finance or Operating Lease

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

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, inventories and intangible assets are 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 ECL on Other Financial Assets at Amortized Cost

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 as at December 31, 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are as follows:

| | 2024 | 2023 |
|---------------------|-------------------|-------------------|
| Cash in banks* | 10,956,804 | 4,588,993 |
| Receivable - others | 77,395,163 | 7,958,575 |
| Other assets | 5,035,000 | 5,015,000 |
| | 93,386,967 | 17,562,568 |

*excluding petty cash fund amounting to P2,874,195 as at December 31, 2024 and P409,956 in 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 related parties | 39,030,125 | 39,030,125 |
| Advances to contractors | 26,488,134 | 50,397,948 |
| Advances to suppliers | 21,088,595 | 7,766,188 |
| Property and equipment (net) | 2,238,660,948 | 527,822,795 |
| Construction-in-progress | - | 1,805,205,972 |
| | 2,325,267,802 | 2,430,223,028 |

Estimating useful lives of assets

The Company estimates the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets 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 and intangible assets would increase recorded operating expenses and decrease non-current assets.

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

| Categories | Estimated Useful Life |
|--------------------|-----------------------|
| Office equipment | 3 - 5 years |
| Medical equipment | 5 years |
| Hospital equipment | 5-10 years |
| Kitchen Tools | 3-5 years |
| Building | 50 years |

As at December 31, 2024 and 2023, the Company's property and equipment had carrying amounts of P2,238,660,948 and P527,822,795, respectively, as disclosed in Note 11.



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 has recognized net deferred tax assets amounting to ₱-0- and ₱-0- as at December 31, 2024 and 2023, respectively (see Note 21).

Deferred tax assets with full valuation allowance as at December 31, 2024, 2023 and 2022 amounted to ₱168,867,765, ₱69,505,158, and ₱32,663,660, respectively (see Note 21).

NOTE 6 - CASH

This account consists of:

| | 2024 | 2023 |
|----------------------------------|-------------------|------------------|
| Petty cash fund and cash on hand | 2,874,195 | 409,956 |
| Cash in banks | 10,956,804 | 4,588,993 |
| | <u>13,830,999</u> | <u>4,998,949</u> |

Cash includes petty cash fund and cash on hand 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 bank accounts amounted to ₱2,106, ₱19,158, and ₱10,028 in 2024, 2023 and 2022, respectively, and is presented as part of "other income" in the statements of comprehensive loss (see Note 19).

Unrealized foreign exchange gain (loss) resulting from translation of foreign currency-denominated cash in bank into Philippine peso amounted to (₱310,228) and ₱18,964 in 2024 and 2023, respectively and is presented as part of "other income" in the statements of comprehensive loss (see Note 19).



NOTE 7 - RECEIVABLES

This account consists of:

| | 2024 | 2023 |
|--|-------------------|------------------|
| Due from PhilHealth and HMO's ¹⁾ | 49,067,415 | 1,169,061 |
| Accounts receivables-government agencies ²⁾ | 17,920,759 | 76,038 |
| Advances from employees and officers | 3,502,861 | 3,753,880 |
| Other receivables | 6,904,128 | 2,959,596 |
| | 77,395,163 | 7,958,575 |

¹⁾This account pertains to reimbursements for hospital expenses and doctors' fees availed by patients who are members of the Philippine Health Insurance Corporation (PhilHealth) and Health Maintenance Organization (HMOs).

²⁾Accounts receivables pertain to financial assistance availed by patients from the Department of Social Welfare and Development (DSWD) and Philippine Charity Sweepstakes Office (PCSO).

Other receivables – represent promissory notes from local area patients which are collected in installments or staggered payments due within the year.

In determining the recoverability of receivables, the Company considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period. Considering that majority of the accounts are relatively guaranteed by accredited providers, the Company believes that no allowance for doubtful accounts is required for both years.

NOTE 8 - ADVANCES TO CONTRACTORS AND SUPPLIERS

This account consists of:

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| Advances to contractors ¹⁾ | 26,488,134 | 50,397,948 |
| Advances to suppliers ²⁾ | 21,088,595 | 7,766,188 |
| | 47,576,729 | 58,164,136 |

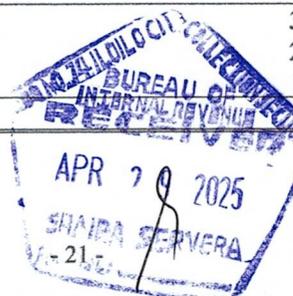
¹⁾ Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings. During the year, this account was offset to accounts payable contractors.

²⁾ Advances to supplier 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 - MEDICAL AND HOSPITAL SUPPLIES INVENTORIES

The account comprises of the following balances as of December 31, 2024:

| | 2024 | 2023 |
|---|-------------------|------------------|
| Medical and laboratory supplies ¹⁾ | 35,412,213 | 269,067 |
| General hospital maintenance supplies ²⁾ | 22,887,457 | 2,275,601 |
| Drugs and medicines for sale ³⁾ | 17,362,719 | 165,096 |
| | 75,662,389 | 2,709,764 |



¹Medical and laboratory supplies refer to a wide array of materials, in the form of test or culture tubes and vessels, consumables, reagents, medical media and sera, etc., which are used in medical chemistry and various laboratory tests.

²General hospital maintenance supplies pertain to purchases of cleaning and sanitation supplies for the hospital upkeep and general housekeeping.

³Drugs and medicines for sale are medicinal and therapeutic substances (in capsule, tablet or liquid forms) available at the Hospital's pharmacy which are intended for patient care and treatment.

NOTE 10 - PREPAYMENTS AND OTHER CURRENT OTHERS

This account consists of:

| | 2024 | 2023 |
|----------------------------|------------|-----------|
| Input Vat | 12,424,124 | 1,665,933 |
| Prepaid insurance | 1,535,864 | 156,210 |
| Prepaid Taxes and Licenses | 1,898,803 | - |
| Prepaid income tax | 953,920 | - |
| | 16,812,711 | 1,822,143 |



NOTE 11 - PROPERTY AND EQUIPMENT (net)

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

| | Land | Building | Building Improvement | Office Equipment | Medical Equipment | Hospital Equipment | IT Equipment & Software | Kitchen Tools | Hospital Vehicle | Total |
|--|-------------------|----------------------|----------------------|------------------|--------------------|--------------------|-------------------------|-------------------|------------------|----------------------|
| Cost: | | | | | | | | | | |
| At beginning of year | 28,291,630 | - | - | 17,362,737 | 345,534,261 | 112,390,315 | 30,658 | 32,007,967 | - | 535,617,568 |
| Additions | - | 1,836,316,739 | 33,721 | 135,024 | 9,897,867 | 2,306,759 | - | 207,828 | 10,478,200 | 1,859,376,138 |
| Reclassification | - | - | - | (14,070,618) | - | - | 14,070,618 | - | - | - |
| Retirement | - | - | - | - | - | - | (265,917) | - | - | (265,917) |
| At end of year | 28,291,630 | 1,836,316,739 | 33,721 | 3,427,143 | 355,432,128 | 114,697,074 | 13,835,359 | 32,215,795 | 10,478,200 | 2,394,727,789 |
| Accumulated depreciation: | | | | | | | | | | |
| At beginning of year | - | - | - | 5,136,096 | - | - | - | 2,658,677 | - | 7,794,773 |
| Depreciation | - | 36,726,335 | 3,934 | 655,926 | 70,413,534 | 29,476,120 | 2,470,785 | 6,429,794 | 2,095,640 | 148,272,068 |
| Reclassification | - | - | - | (4,215,755) | - | 429,668 | 3,786,087 | - | - | - |
| At end of year | - | 36,726,335 | 3,934 | 1,576,267 | 70,413,534 | 29,905,788 | 6,256,872 | 9,088,471 | 2,095,640 | 156,066,841 |
| Net carrying value, December 31, 2024 | 28,291,630 | 1,799,590,404 | 29,787 | 1,850,876 | 285,018,594 | 84,791,286 | 7,578,487 | 23,127,324 | 8,382,560 | 2,238,660,948 |



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

| | Land | Office Equipment | Medical Equipment | Hospital Equipment | IT Equipment & Software | Kitchen Tools | Books/ Periodicals | Total |
|--|------------|---------------------|----------------------|-----------------------|----------------------------|---------------|-----------------------|-------------|
| Cost: | | | | | | | | |
| At beginning of year | 28,291,630 | 9,049,590 | 297,878,140 | 113,541,569 | – | 1,072,375 | 11,545 | 449,844,848 |
| Additions | – | 8,313,146 | 47,656,121 | – | 30,658 | 30,935,592 | – | 86,935,517 |
| Reclassification | – | – | – | (1,151,254) | – | – | (11,545) | (1,162,799) |
| At end of year | 28,291,630 | 17,362,737 | 345,534,261 | 112,390,315 | 30,658 | 32,007,967 | – | 535,617,568 |
| Accumulated depreciation: | | | | | | | | |
| At beginning of year | – | 2,393,750 | – | – | – | – | 6,179 | 2,399,929 |
| Reclassification | – | – | – | – | – | – | (6,179) | (6,179) |
| Depreciation | – | 2,742,346 | – | – | – | 2,658,677 | – | 5,401,023 |
| At end of year | – | 5,136,096 | – | – | – | 2,658,677 | – | 7,794,773 |
| Net carrying value, December 31, 2023 | 28,291,630 | 12,226,641 | 345,534,261 | 112,390,315 | 30,658 | 29,349,290 | – | 527,822,795 |



Depreciation on medical and hospital equipment shall commence when it is available for use – when it is in the location and condition necessary to be capable of operating in the manner intended by the Management. During the year, the depreciation expense of medical and hospital equipment amounting to ₱99,889,654 was charged to cost of service (see Note 18).

The Company has a total contract commitment to purchase medical equipment totaling ₱454,370,959 as at December 31, 2023. Advances to related parties amounting to ₱39,030,125 (Note 15) was recognized in the books as it represents advance payment for medical equipment.

The land covered by TCT No. 095-2015000546 and TCT No. 095-2015000547 represent the area located at Barangay Sambag, Jaro District, Iloilo City, Panay Island, where the Company constructed a multidisciplinary special medical facility (hospital) (Note 12) and is the subject of a real estate mortgage as disclosed in Note 15.

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.

During the year the Construction-in-progress account was closed to Building account since the Hospital had been completed and have started commercial operation on December 2023.

| | Construction -in- progress | Amount of Transactions | Building |
|----------------------------|-------------------------------|---------------------------|---------------|
| | 2023 | 2024 | 2024 |
| Payment to contractors | 1,343,138,443 | 31,104,267 | 1,374,242,710 |
| Capitalized borrowing cost | 205,146,757 | – | 205,146,757 |
| Other related costs | 256,920,772 | – | 256,927,272 |
| | 1,805,205,972 | 31,104,267 | 1,836,316,739 |

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 one hundred percent (100%) in 2024.



NOTE 12 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Accounts payable – contractors and suppliers ¹⁾ | 339,278,543 | 121,792,436 |
| Accrued interest payable ²⁾ | 95,515,462 | 25,635,193 |
| Retention payable ³⁾ | 42,061,657 | 46,392,615 |
| Accounts payable – nontrade ⁴⁾ | 33,513,950 | 2,311,548 |
| Accrued expenses ⁵⁾ | 13,359,749 | 5,945,109 |
| Statutory liabilities ⁶⁾ | 1,737,537 | 2,289,008 |
| Other payables | 3,997,120 | 336,455 |
| | 529,464,018 | 204,702,364 |

¹⁾ Accounts payable – contractors and suppliers represent unpaid billings of the contractors and balances of equipment already installed in the construction building as of reporting date.

²⁾ Accrued interest payable refers to interest expense incurred on loans from bank (see Note 14).

³⁾ 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.

⁴⁾ Accounts payable – nontrade pertains to unsettled fees to medical practitioners, legal, and other consultancy fees. It also includes obligations to housekeeping supplies and construction, which is a significant portion of the account.

⁵⁾ Accrued expenses are normally settled within one year from financial reporting date.

⁶⁾ Statutory liabilities pertain to tax withheld from payment to suppliers, employees' compensation and statutory contributions to SSS, PHIC and HDMF.

NOTE 13 - LOANS PAYABLE TO INDIVIDUALS

This account constitutes non-interest bearing and demandable obligations to third parties which was primarily used by the Company to support the preliminary financing aspect of the construction of the hospital structure.



NOTE 14 - NOTES PAYABLE

Notes payable as at December 31 consist of:

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Current portion: | | |
| Notes payable – construction-in-progress (reclassified to building) | 10,000,000 | 10,000,000 |
| Notes payable – medical equipment | 5,000,000 | 5,000,000 |
| | 15,000,000 | 15,000,000 |
| Non-current portion: | | |
| Notes payable – construction-in-progress (reclassified to building) | 662,875,714 | 677,875,714 |
| Notes payable – medical equipment | 292,718,592 | 292,718,592 |
| | 955,594,306 | 970,594,306 |
| | 970,594,306 | 985,594,306 |

The Landbank of the Philippines – Iloilo Branch (LBP – Iloilo) extended to the Company several term loans equivalent to a credit line facility totaling **₱1.060 BILLION** to finance the construction of hospital structure and the acquisition of various medical equipment and fixtures.

The foregoing credit line facility consists of a term loan 1 the availment of which was granted on 2015 amounting to **₱465 MILLION** allotted to finance the construction of hospital building. However, term loan 2 availment amounting to **₱35 MILLION** was eventually cancelled or withdrawn. Subsequently, the bank approved on July 31, 2019, term loan 3 in the amount of **₱195 MILLION** for hospital structure and term loan 4 amounting to **₱400 MILLION** allotted for the acquisition of medical equipment and fixtures.

The loan is available in several drawdowns, payable ranging from 8 years to 10 years in laddered quarterly amortizations, including grace periods ranging from 1 year to 4 years on principal amortization, with an interest rate of 5% to 6.63% per annum payable quarterly in arrears from date of loan release.

As discussed in Note 11, 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 and Chattel Mortgage on various medical equipment, furniture, and fixtures.

On November 29, 2023, Landbank of the Philippines, approved the restructuring of the total outstanding balance of term loan 1, 3 and 4 in the amount of **₱985,594,306** up to seven (7) years from date of effectivity with one (1) quarter grace period on principal and interest. As at December 31, 2024, the outstanding balance amounted to **₱970,594,306** and interest expense incurred amounted to **₱98,771,439**. Due to restructuring, finance cost cannot be allocated to hospital building and medical equipment and fixtures.



Total finance cost for the year 2024, 2023 and 2022 were charged as follows:

| | 2024 | 2023 | 2022 |
|---------------------------------------|--------------------|------------|------------|
| A. Construction in Progress | | | |
| a.) Construction of hospital building | – | 38,111,109 | 38,105,541 |
| b.) Medical equipment and fixtures | – | 16,010,421 | 19,800,219 |
| | – | 54,121,530 | 57,905,760 |
| B. Operations | 155,699,208 | 36,970,036 | 30,288,654 |
| Total | 155,699,208 | 91,091,566 | 88,194,414 |

NOTE 15 - RELATED PARTY TRANSACTIONS

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

| Category | Outstanding | Amount of | Outstanding | Amount of | Outstanding | Terms | Conditions |
|---|-------------------|------------------|-------------------|--------------------|--------------------|---|---------------------------------------|
| | Balance | Transactions | Balance | Transactions | Balance | | |
| | 2022 | 2023 | 2023 | 2024 | 2024 | | |
| Receivable – others (various ACE hospitals) | 47,472 | – | 47,472 | – | 47,472 | Non-interest bearing, to be collected in cash | Unsecured, unguaranteed, not impaired |
| Advances to related parties: | | | | | | | |
| Endure Medical, Inc. | 32,079,869 | – | 32,079,869 | – | 32,079,869 | Non-interest bearing, to be collected in cash (a) | Unsecured, unguaranteed, not impaired |
| TIPP Digital Solutions Inc. | 3,515,904 | 3,386,880 | 6,902,784 | – | 6,902,784 | Non-interest bearing, to be collected in cash (b) | Unsecured, unguaranteed, not impaired |
| | 35,595,773 | 3,386,880 | 39,030,125 | – | 39,030,125 | | |
| Accounts Payable - Endure Medical, Inc. | 33,589,868 | 11,643,658 | 45,233,526 | 18,534,833 | 63,768,359 | Non-interest bearing, to be paid in cash | Unsecured, unguaranteed, not impaired |
| Loans payable to a related party | 237,834,969 | 155,600,000 | 393,434,969 | 150,437,000 | 543,871,969 | Interest bearing, to be paid in cash (c) | Unsecured, unguaranteed, not impaired |

(a) Advances to a related party - Endure Medical, Inc.

The Company engaged the services of an indentor (Endure Medical, Inc.) which has relatively significant influence over the key management personnel of the Company. The Indentor facilitates



the importation and acquisition of medical and hospital equipment, furniture and fixtures for the hospital building under construction (see Notes 11).

The foregoing is classified as a related party transaction(s) (pursuant to the condition set forth in PAS 24), wherein the key management personnel of Endure Medical, Inc. has significant influence over the Company and its key officer.

(b) Advances to a related party - TIPP Digital Solutions Inc.

The account represents a 15% downpayment made for the acquisition of Healthcare Management Information System.

(c) Loans payable to a related party

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which has relatively significant influence over a key management personnel of the Company. The loan was incurred for payment of interest with Land Bank of the Philippines (LBP). The loan bears an interest ranging from 6.50%-8.50% per annum and is payable subject to availability of funds. Interest incurred for the years ended December 31, 2024, 2023 and 2022 and is reflected in the statements of comprehensive loss amounted to ₱56,927,769, ₱20,959,616, and ₱10,488,435, respectively. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

Key Management Personnel Compensation

Key management compensation amounted to ₱7,571,693, ₱3,330,000, and ₱5,818,958 for the years ended December 31, 2024, 2023, and 2022, respectively. These amounts are incorporated in the salaries and allowances account in the financial statements.

NOTE 16 - SHARE CAPITAL

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

| | No. of Shares | Amount |
|---|----------------|--------------------|
| Authorized share capital – ₱1,000 par value | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,400 | 239,400,000 |
| Total authorized share capital | 240,000 | 240,000,000 |
| Subscribed share capital: | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,360 | 239,360,000 |
| Total subscribed share capital | 239,960 | 239,960,000 |
| Paid-up share capital: | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,360 | 239,360,000 |
| Total paid-up share capital | 239,960 | 239,960,000 |



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

| | No. of Shares | Amount |
|---|----------------|--------------------|
| Authorized share capital – ₱1,000 par value | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,400 | 239,400,000 |
| Total authorized share capital | 240,000 | 240,000,000 |
| Subscribed share capital: | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,360 | 239,360,000 |
| Total subscribed share capital | 239,960 | 239,960,000 |
| Paid-up share capital: | | |
| Founder's shares | 600 | 600,000 |
| Common shares | 239,360 | 239,360,000 |
| Total paid-up share capital | 239,960 | 239,960,000 |

In 2018, the Company filed a Registration Statement covering its proposed Initial Public Offering (IPO) of its 36,000 common shares. Said registration statement was approved on December 27, 2019, in accordance with the provisions of the SEC's Securities Regulation Code (see Note 1).

As of date, pursuant to the SEC's approval, the Company issued a total of **THIRTY-ONE THOUSAND SIX HUNDRED TWENTY (31,620)** common shares. The related share premium after deducting transaction costs associated with the issuance of shares amounted to ₱957,372,662. The common share offer price amounted to ₱250,000 up to ₱400,000 per block [one (1) block = ten (10) common shares].

Founder's 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 Founder's shares shall have the same rights and privileges as holders of common shares.

NOTE 17 - REVENUE

Revenues earned for the year ended are as follows:

| | 2024 | 2023 |
|----------------------------------|---------------------|--------------------|
| Sale of Services | 349,859,649 | 7,024,531 |
| Sale of Goods | 2,952,362 | 55,823 |
| | 352,812,011 | 7,080,354 |
| Less: Sales Discount on Services | (43,380,347) | (954,589) |
| Sales Discount on Goods | (1,221,433) | (21,006) |
| Sales Return and Allowances | (300,205) | (109,394) |
| | (44,901,985) | (1,084,989) |
| Net Revenues | 307,910,026 | 5,995,365 |

Sale of Services pertains to billings for patient care services, including doctors' appointments and consultancies, surgical procedures, medical chemistry and laboratory analyses and ancillary services.



Sale of goods refers to the sale of medications and medical supplies provided to patients during their stay or confinement or as part of their treatment plan.

Discounts and allowances – are cost of provision for free services at certain times, discounts or returns to underprivileged patients, senior citizens and employees.

NOTE 18 - DIRECT COSTS

This account consists of the following:

| | 2024 | 2023 |
|-----------------------------------|--------------------|------------------|
| Cost of Hospital Services: | | |
| Hospital supplies | 102,251,913 | 1,379,238 |
| Depreciation expense | 99,889,654 | – |
| Salaries and Wages | 37,167,173 | 1,055,245 |
| Professional Fees | 27,184,394 | 3,644,291 |
| Utilities Expense | 2,274,166 | 48,681 |
| | 268,767,300 | 6,127,455 |

Direct costs are explicit expenditures with specific identification to the corresponding cost centers of hospital services.

NOTE 19 - OTHER INCOME

Details of account consist of:

| | 2024 | 2023 | 2022 |
|---|------------------|---------------|----------------|
| Interest income (Note 6) | 2,106 | 19,158 | 10,028 |
| Unrealized foreign exchange gain (Note 6) | (310,228) | 18,964 | 109,901 |
| Other revenue | 1,490,856 | 32,953 | – |
| | 1,182,734 | 71,075 | 119,929 |



NOTE 20 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of account consists of:

| | Notes | 2024 | 2023 | 2022 |
|----------------------------------|-------|--------------------|--------------------|-------------------|
| Salaries and allowances | | 87,491,420 | 65,369,297 | 12,391,189 |
| Utilities | | 51,738,090 | 8,323,809 | 127,511 |
| Depreciation | 11 | 48,382,414 | 5,394,843 | 879,938 |
| Professional fee and legal fees | | 33,272,069 | 1,193,873 | 1,693,213 |
| SSS, PHIC and HDMF Contributions | | 14,586,982 | 7,865,598 | 734,057 |
| Security services | | 8,684,813 | 3,074,911 | 1,084,372 |
| Office supplies | | 8,509,166 | 3,501,593 | 285,099 |
| Housekeeping expense | | 8,415,291 | 460,633 | — |
| Taxes and licenses ¹⁾ | | 6,926,145 | 7,417,040 | 1,871,785 |
| Board meetings and conferences | | 4,862,485 | 2,257,500 | 2,087,830 |
| Insurance expense | | 2,305,495 | 445,426 | — |
| Transportation and travel | | 1,190,229 | 305,828 | 67,409 |
| Trainings and seminars | | 954,891 | 1,418,787 | 152,557 |
| Repairs and maintenance | | 901,410 | 786,245 | — |
| Communication expense | | 811,393 | 511,602 | — |
| Advertising expenses | | 749,906 | 605,967 | 63,200 |
| Entertainment and Representation | | 292,075 | 9,612 | — |
| Rental | | 44,211 | 3,500 | 9,500 |
| Amortization | | — | — | 8,333 |
| Miscellaneous expenses | | 2,266,842 | 1,355,546 | 597,199 |
| | | 282,385,327 | 110,301,610 | 22,053,192 |

NOTE 21 - INCOME TAX EXPENSE

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

| I. Regular Corporate Income tax (RCIT) | 2024 | 2023 | 2022 |
|--|---------------|---------------|--------------|
| Net loss before income tax | (397,759,075) | (147,332,832) | (52,221,917) |
| Add (deduct) reconciling items: | | | |
| Interest expense arbitrage | 526 | 4,789 | 2,507 |
| Unrealized forex gain (Note 6 and 20) | 310,228 | (18,964) | (109,901) |
| Interest income subjected to final tax (Notes 6,20) | (2,106) | (19,158) | (10,028) |
| Net operating loss | (397,450,427) | (147,365,993) | (52,339,339) |
| Tax rate | 25% | 25% | 25% |
| RCIT | NIL | NIL | NIL |

II. Minimum Corporate Income Tax (MCIT)

As per Revenue-Regulations No. 09-98, a minimum corporate income tax is imposed using the 2 % of gross income as of the end of the taxable year (whether calendar or fiscal year, depending on the accounting period employed) upon any domestic corporation beginning the fourth (4th) taxable year immediately following the taxable year in which such corporation commence its business operations.



Since commercial operation started only in December 2023, MCIT is not yet applied.

III. Tax Due (RCIT or MCIT whichever is higher)

| | 2024 | 2023 | 2022 |
|--|------------------|------|------|
| RCIT or MCIT | - | - | - |
| Less: Tax credits or payments | | | |
| Prior years excess tax credits | - | - | - |
| Quarterly income tax payments (1 st -3 rd quarter) | - | - | - |
| Creditable withholding tax (1 st - 3 rd quarter) | - | - | - |
| Creditable withholding tax (4 th quarter) | (953,920) | - | - |
| Prepaid Income Tax (Note 10) | (953,920) | - | - |

IV. Net Operating Loss Carry-Over (NOLCO)

As at December 31, 2024, the Company's NOLCO and MCIT that can be claimed as deduction from future taxable income and income tax payable, respectively, are as follows:

| Year Incurred | Expiration date | Beginning balance | Additions | Expired | Claimed | Ending Balance |
|---------------|-----------------|-------------------|-----------|---------|---------|-------------------|
| NOLCO | | | | | | |
| 2020 | 2025 | 43,425,573 | - | - | - | 43,425,573 |
| 2021 | 2026 | 34,889,728 | - | - | - | 34,889,728 |
| | | 78,315,301 | - | - | - | 78,315,301 |

Revenue Regulation 25-2020, implementing Section 4 of the Bayanihan to Recover as One or Bayanihan 2 Act, particularly on the NOLCO of companies wherein 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). In 2022, the NOLCO reverted the carry-over-period to three years.

| Year Incurred | Expiration date | Beginning balance | Additions | Expired | Claimed | Ending Balance |
|---------------|-----------------|-------------------|--------------------|---------|---------|--------------------|
| NOLCO | | | | | | |
| 2022 | 2025 | 78,315,301 | 52,339,339 | - | - | 130,654,640 |
| 2023 | 2026 | - | 147,365,993 | - | - | 278,020,633 |
| 2024 | 2027 | - | 397,450,427 | - | - | 675,471,060 |
| | | 78,315,301 | 597,155,759 | - | - | 675,471,060 |

V. Deferred Tax Assets

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

| | 2024 | 2023 | 2022 |
|--|---------------|--------------|--------------|
| NOLCO | 675,471,060 | 278,020,633 | 130,654,640 |
| Tax rate | 25% | 25% | 25% |
| | 168,867,765 | 69,505,158 | 32,663,660 |
| MCIT | - | - | 171 |
| | 168,867,765 | 69,505,158 | 32,663,660 |
| Valuation allowance (Note 5) | (168,867,765) | (69,505,158) | (32,663,660) |
| Deferred tax asset (other noncurrent assets) | - | - | 171 |



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 2021 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.

NOTE 22 - BASIC LOSS PER SHARE

Basic loss per share is computed as follows:

| | 2024 | 2023 | 2022 |
|---|---------------|---------------|--------------|
| Loss attributable to ordinary shares | (397,759,075) | (147,332,832) | (52,221,917) |
| Divide by: Weighted average number of ordinary shares outstanding | 239,960 | 239,960 | 235,670 |
| Basic loss per share | 1,657.61 | 613.99 | (221.59) |

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

NOTE 23 - 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), receivable - others, other non-current assets payable (excluding deferred tax assets), accounts payable and other liabilities (excluding government liabilities), loans payable to individuals, loans payable to a related party and notes payable 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 (excluding petty cash fund), receivable – others and other assets under the noncurrent assets (excluding deferred tax assets). The Company limits its exposure to credit risk by investing its cash 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.



Receivable - others and other assets under the non-current assets are being monitored on a regular basis to ensure timely execution of necessary intervention efforts to minimize credit losses.

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

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

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

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

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

| As at December 31, 2024 | | | | |
|---------------------------------|---|---|---|-------------------|
| | Financial assets at amortized cost | | | |
| | 12-month ECL | Lifetime ECL – not credit impaired | Lifetime ECL – credit impaired | Total |
| | | Cash in banks* | 10,956,804 | |
| Receivables | 77,395,163 | – | – | 77,395,163 |
| Other non-current assets | – | 5,035,000 | – | 5,035,000 |
| | 88,351,967 | 5,035,000 | – | 93,386,967 |

*Excluding petty cash fund amounting to P2,874,195 as at December 31, 2024.

| As at December 31, 2023 | | | | |
|---------------------------------|---|---|---|-------------------|
| | Financial assets at amortized cost | | | |
| | 12-month ECL | Lifetime ECL – not credit impaired | Lifetime ECL – credit impaired | Total |
| | | Cash in banks* | 4,588,993 | |
| Receivable - others | 7,958,575 | – | – | 7,958,575 |
| Other non-current assets | – | 5,015,000 | – | 5,015,000 |
| | 12,547,568 | 5,015,000 | – | 17,562,568 |

*Excluding petty cash fund amounting to P409,956 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 primary source of the Company's interest rate risk relates to its cash in banks, notes payable and loans payable to a related party (Notes 6, 13 and 14).



Cash in banks are subject to prevailing market interest rates. Considering that such financial assets have short-term maturities, the Company does not foresee any cash flow and fair value interest rate risks to have a significant impact on the Company's operations.

Likewise, notes payable and loans payable to a related party are subject to prevailing market interest rates. As such, these are subject to fluctuations in market interest rates for a given period.

The Company has no established policy in managing interest rate risk. Any favorable or unfavorable effect of the fluctuations on the interest rates are absorbed by the Company. The effect of such is presented in 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 | More than 1 Within 1 year but less year than 5 years | More than 5 years | Total |
|--------------------------|-------------------|--|----------------------|-------------------|
| Financial Assets: | | | | |
| Cash* | 10,956,804 | – | – | 10,956,804 |
| Receivable - others | 77,395,163 | – | – | 77,395,163 |
| Other non-current assets | – | 5,035,000 | – | 5,035,000 |
| | 88,351,967 | 5,035,000 | – | 88,351,967 |

*Excluding petty cash fund and cash on hand amounting to P2,874,195 as at December 31, 2024.

Financial Liabilities:

| | | | | | |
|---|--------------------|--------------------|----------------------|---|----------------------|
| Accounts payable and other liabilities*** | 363,618,023 | 164,108,458 | – | – | 527,726,481 |
| Loans payable to individuals | – | – | 15,703,226 | – | 15,703,226 |
| Loans payable to a related party | – | – | 543,871,969 | – | 543,871,969 |
| Notes payable | 15,000,000 | – | 955,594,306 | – | 970,594,306 |
| | 378,618,023 | 164,108,458 | 1,515,169,501 | – | 2,057,895,982 |

***Excluding government liabilities amounting to P1,737,537 as at December 31, 2024.

As at December 31, 2023

| | On Demand | Within 1 year | More than 1 year but less than 5 years | More than 5 years | Total |
|--------------------------|-------------------|---------------|--|----------------------|-------------------|
| Financial Assets: | | | | | |
| Cash* | 4,588,993 | – | – | – | 4,588,993 |
| Receivable - others | 7,958,575 | – | – | – | 7,958,575 |
| Other non-current assets | – | – | 5,015,000 | – | 5,015,000 |
| | 12,547,568 | – | 5,015,000 | – | 17,562,568 |

*Excluding petty cash fund amounting to P409,956 as at December 31, 2023.



| | On Demand | Within 1 year | More than 1 year but less than 5 years | More than 5 years | Total |
|---|-------------|---------------|--|-------------------|---------------|
| Financial Liabilities: | | | | | |
| Accounts payable and other liabilities*** | 70,078,186 | 132,335,170 | – | – | 202,413,356 |
| Loans payable to individuals | 20,342,700 | – | – | – | 20,342,700 |
| Loans payable to a related party | 393,434,969 | – | – | – | 393,434,969 |
| Notes payable | 15,000,000 | 970,594,306 | – | – | 985,594,306 |
| | 498,855,855 | 1,102,929,476 | | | 1,601,785,331 |

***Excluding government liabilities amounting to ₱2,289,008 as at December 31, 2023.

FAIR VALUES OF FINANCIAL INSTRUMENTS

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

| | As at December 31, 2024 | | As at December 31, 2023 | |
|--------------------------|-------------------------|-------------|-------------------------|-------------|
| | Carrying Amounts | Fair Values | Carrying Amounts | Fair Values |
| Financial Assets: | | | | |
| Cash* | 10,956,804 | 10,956,804 | 4,588,993 | 4,588,993 |
| Receivable - others | 77,395,163 | 77,395,163 | 7,958,575 | 7,958,575 |
| Other non-current assets | 5,035,000 | 5,035,000 | 5,015,000 | 5,015,000 |
| | 93,386,967 | 93,386,967 | 17,562,568 | 17,562,568 |

*Excluding petty cash fund and cash on hand amounting to ₱2,874,195 and ₱409,956 as at December 31, 2024 and 2023.

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Financial Liabilities: | | | | |
| Accounts payable and other liabilities*** | 527,726,481 | 527,726,481 | 202,413,356 | 202,413,356 |
| Loans payable to individuals | 15,703,226 | 13,703,226 | 20,342,700 | 20,342,700 |
| Loans payable to a related party | 543,871,969 | 540,871,969 | 393,434,969 | 393,434,969 |
| Notes payable | 970,594,306 | 975,594,306 | 985,594,306 | 985,594,306 |
| | 2,057,895,982 | 2,057,895,982 | 1,601,785,331 | 1,601,785,331 |

***Excluding government liabilities amounting to ₱1,737,537 and ₱2,289,008 as at December 31, 2024 and 2023, respectively.

Assumption Used to Estimate Fair Values

The carrying amounts of cash, receivable - others, accounts payable and other liabilities, loans payable to individuals, and loans payable to a related party approximate their fair values as at reporting dates due to the short-term nature of the transactions.

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



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

Fair Value Hierarchy

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

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

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

| As at December 31, 2024 | | | |
|--------------------------|---|---|---|
| | Quoted Prices in Active Markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Un- observable Inputs (Level 3) |
| Financial Assets: | | | |
| Cash* | 10,956,804 | | - |
| Receivable – others | | 77,395,163 | - |
| Other non-current assets | | 5,035,000 | - |
| | 10,956,804 | 82,430,163 | - |

*Excluding petty cash fund and cash on hand amounting to ₱2,874,195 as at December 31, 2024.

| | | | |
|---|---|----------------------|---|
| Financial Liabilities: | | | |
| Accounts payable and other liabilities*** | - | 527,726,481 | - |
| Loans payable to individuals | - | 15,703,226 | - |
| Loans payable to a related party | - | 543,871,969 | - |
| Notes payable | - | 970,594,306 | - |
| | - | 2,057,895,982 | - |

***Excluding government liabilities amounting to ₱1,737,537 as at December 31, 2024.

| As at December 31, 2023 | | | |
|--------------------------|---|---|---|
| | Quoted Prices in Active Markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Un- observable Inputs (Level 3) |
| Financial Assets: | | | |
| Cash* | 4,588,993 | - | - |
| Receivable – others | - | 7,958,575 | - |
| Other non-current assets | - | 5,015,000 | - |
| | 4,588,993 | 12,973,575 | - |

*Excluding petty cash fund amounting to ₱409,956 as at December 31, 2023.

| | | | |
|---|---|----------------------|---|
| Financial Liabilities: | | | |
| Accounts payable and other liabilities*** | - | 202,413,356 | - |
| Loans payable to individuals | - | 20,342,700 | - |
| Loans payable to a related party | - | 393,434,969 | - |
| Notes payable | - | 985,594,306 | - |
| | - | 1,601,785,331 | - |

***Excluding government liabilities amounting to ₱2,289,008 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 | 239,960,000 | 239,960,000 |
| Share premium | 957,372,662 | 953,896,162 |
| Deficit | (742,962,117) | (345,203,042) |
| | 454,370,545 | 848,653,120 |

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 except for the required financial ratio wherein the financial institution was made aware of since the Company has not yet started commercial operations.



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 Accounting Standard is presented as follows:

Output Value-Added Tax

Details of the Company's output VAT declared consist of:

| | 2024 |
|---------------|----------------|
| Exempt sales | 301,037,263 |
| Vatable sales | 1,277,902 |
| VAT rate | 12% |
| | <u>153,348</u> |

Input Value-Added Tax

Details of the Company's Input VAT claimed consist of:

| | 2024 |
|---|-------------------|
| At beginning of year | 1,665,933 |
| Current purchases and payments for: | |
| Domestic purchase of capital goods not exceeding 1M | 22,607 |
| Domestic purchase of capital goods exceeding 1M | 192,321 |
| Domestic purchase of goods other than capital goods | 5,065,514 |
| Domestic purchases of services | 5,631,097 |
| At end of year | <u>12,577,472</u> |

Computation of Net VAT payable is as follows:

| | 2024 |
|---------------------------------------|---------------------|
| Output VAT payable | 153,348 |
| Less: Input VAT claimed | (12,577,472) |
| Excess Input VAT for the year | (12,424,124) |
| Less: Payments made during the year | - |
| Input VAT Carry-over (Note 10) | <u>(12,424,124)</u> |

Documentary Stamp Tax

Documentary stamp tax paid by the Company during the year amounted to ₱5,543,969 for the additional availment of notes payable.



Taxes and licenses

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

| | 2024 |
|-----------------------------|-----------|
| Documentary Stamp Tax | 5,543,969 |
| Real Property Tax | 1,224,505 |
| Business Permit Fee | 48,451 |
| Hospital Accreditation Fees | 22,900 |
| LTO | 19,000 |
| Notarial Fee | 2,600 |
| Community Tax Certificate | 2,019 |
| Others | 62,701 |
| | 6,926,145 |

Withholding Taxes

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

| | 2024 |
|------------------------------|-----------|
| Compensation withholding tax | 1,259,470 |
| Expanded withholding tax | 7,888,536 |
| | 9,148,006 |

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.

* * *



SCHEDULES

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.

(Formerly: Allied Care Experts (ACE) Medical Center – Iloilo 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 the end of reporting period | Income received and accrued |
|--|---|--|--|-----------------------------|
| Cash* | N/A | P10,956,804 | N/A | P2,106 |
| Receivable – others | N/A | 77,395,163 | N/A | |
| Other non-current assets | N/A | 5,035,000 | N/A | |
| | | P93,386,967 | | P2,106 |

*Excluding petty cash fund amounting to P2,874,195 as at December 31, 2024

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders

| Name and designation of Debtor | Balance at Beginning of Period | Additions | Amounts Collected | Amounts Written Off | Current | Not Current | Balance at End of Year |
|---|--------------------------------|-------------------|-------------------|---------------------|--------------------|-------------|------------------------|
| Endure Medical, Inc. | P32,079,869 | P - | P - | P - | P32,079,869 | P - | P32,079,869 |
| TIPP Digital Solutions Inc. | 3,515,904 | 3,386,880 | - | - | 6,902,784 | - | 6,902,784 |
| Receivable – others (various ACE Hospitals) | 47,472 | - | - | - | 47,472 | - | 47,472 |
| | P35,643,245 | P3,386,880 | P - | P - | P39,030,125 | P - | P39,030,125 |

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 | Amounts Collected | Amounts Written Off | Current | Not Current | Balance at End of Year |
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|------------------------|
| - Not Applicable - | | | | | | | |

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 |
|---------------------------------------|--------------------------------|---|--|
| Non-interest-bearing Notes Payable | P970,594,306 | P15,000,000 | P955,594,306 |

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 |
|-------------------------|--------------------------------|--------------------------|
| Phil Pharmawealth, Inc. | P393,434,969 | P543,871,969 |
| Endure Medical, Inc. | 45,233,526 | 63,768,359 |
| | P438,668,495 | P607,640,328 |

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 |
|--|---|---|---|---------------------|
|--|---|---|---|---------------------|

- Not Applicable -

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 |
|------------------|-----------------------------|--|--|--|-----------------------------------|--------|
| Founder's Shares | 600 | 600 | - | - | - | - |
| Common Shares | 239,400 | 239,360 | - | - | - | - |
| | 240,000 | 239,960 | - | - | - | - |

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center – Iloilo Inc.)

Statement of Accumulated Deficit
As at December 31, 2024

| | |
|--|---------------------|
| Accumulated Deficit, beginning of period | P345,203,042 |
| Net loss incurred for the period | 397,759,075 |
| Accumulated Deficit, ending of period | P742,962,117 |

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center – Iloilo Inc.)

**MAP OF THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN
THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES**
As at December 31, 2024

-Not Applicable-

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center – Iloilo Inc.)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

As of December 31, 2024
(with comparative figures as of December 31, 2023)

| Financial KPI | Definition | 31-Dec-24 | 31-Dec-23 |
|--|---|-----------|-----------|
| 1. Liquidity | | | |
| Quick Asset Ratio | $\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$ | 0.16 : 1 | 0.05 : 1 |
| Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ | 0.41 : 1 | 0.32 : 1 |
| 2. Solvency | | | |
| Debt to Equity Ratio | $\frac{\text{Long Term Debt}}{\text{Equity}}$ | 3.30 : 1 | 1.61 : 1 |
| 3. Profitability | | | |
| Net Profit Margin | $\frac{\text{Net Income}}{\text{Total Revenue}}$ | 0.00 | 0.00 |
| Return on Equity | $\frac{\text{Net Income}}{\text{Stockholder's Equity}}$ | 0.00 | 0.00 |
| 4. Leverage | | | |
| Debt to Total Asset Ratio | $\frac{\text{Total Liabilities}}{\text{Total Asset}}$ | 0.68 : 1 | 0.65 : 1 |
| Asset To Equity Ratio | $\frac{\text{Total Asset}}{\text{Equity}}$ | 5.53 : 1 | 2.89 : 1 |
| 5. Interest Rate Coverage Ratio | | | |
| Interest Rate Coverage Ratio | $\frac{\text{Earnings Before Interests \& Taxes}}{\text{Interest Expense}}$ | 0.00 | 0.00 |

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION**

As at December 31, 2024

ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
Brgy. Ungka, Jaro Iloilo City

| | |
|---|------------------------------------|
| Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning of the year | (345,203,042) |
| Add: Net Income (Loss) actually earned/realized during the period | |
| Net loss during the period closed to Retained Earnings | (397,759,075) |
| Less: Non-actual/unrealized income net of tax | |
| Equity in net income of associate/joint venture | - |
| Unrealized foreign exchange gain - (after tax) except those attributable to Cash and Cash Equivalents | - |
| Unrealized actuarial gain | - |
| Fair value adjustment (mark-to-market gains) | - |
| Fair value adjustment of Investment Property resulting to gain | - |
| Adjustment due to deviation from PFRS - gain | - |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | - |
| Sub-total | <u>-</u> |
| Add: Non-actual Losses | |
| Depreciation on revaluation increment (after tax) | - |
| Adjustment due to deviation from PFRS - loss | - |
| Loss on fair value adjustment of investment property (after tax) | - |
| Sub-total | <u>-</u> |
| Net Income (Loss) Actually Earned During the Period | (397,759,075) |
| Add (Less): | |
| Dividend declarations during the period | - |
| Appropriations of Retained Earnings during the period | - |
| Reversals of appropriations | - |
| Effects of prior period adjustments | - |
| Treasury Shares | - |
| Sub-total | <u>-</u> |
| TOTAL RETAINED EARNINGS, END OF THE PERIOD AVAILABLE FOR DIVIDEND | <u><u>(742,962,117)</u></u> |

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
As of December 31, 2024

| Ratio | Formula | December 31, 2024 | December 31, 2023 |
|-------------------------------------|---|--------------------------|--------------------------|
| <u>Liquidity Ratios:</u> | | | |
| Current Ratio | Current Assets | 231,277,991 | 75,653,567 |
| | Current Liabilities | <u>560,167,244</u> | <u>240,045,064</u> |
| | | 0.41:1 | 0.32:1 |
| Quick Ratio | Quick Assets | 91,226,162 | 12,957,524 |
| | Current Liabilities | <u>560,167,244</u> | <u>240,045,064</u> |
| | | 0.16:1 | 0.05:1 |
| <u>Solvency Ratios:</u> | | | |
| Debt-to-Equity Ratio | Total Liabilities | 2,059,633,519 | 1,604,074,339 |
| | Total Equity | <u>454,370,545</u> | <u>848,653,120</u> |
| | | 4.53:1 | 1.89:1 |
| Asset-to-Equity Ratio | Total Assets | 2,514,004,064 | 2,452,727,459 |
| | Total Equity | <u>454,370,545</u> | <u>848,653,120</u> |
| | | 5.53:1 | 2.89:1 |
| <u>Profitability Ratios:</u> | | | |
| Interest Rate Coverage Ratio | NET INCOME (LOSS) Before Interests and | (242,059,867) | (147,332,661) |
| | Interest Expense | <u>155,699,208</u> | <u>36,970,036</u> |
| | | -155.47% | -398.52% |
| Return on Equity | Net Profit (Loss) | (397,759,075) | (147,332,661) |
| | Total Equity | <u>454,370,545</u> | <u>848,653,120</u> |
| | | -87.54% | -17.36% |
| Return on Assets | Net Profit (Loss) | (397,759,075) | (147,332,661) |
| | Total Assets | <u>2,514,004,064</u> | <u>2,452,727,459</u> |
| | | -15.82% | -6.01% |
| Net Profit Margin | Net Profit (Loss) | (397,759,075) | (147,332,661) |
| | Revenues | <u>307,910,026</u> | <u>5,995,365</u> |
| | | -129.18% | -24.57442725 |



Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR BCS/
Use Only - Item:

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

Annual Income Tax Return
Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate
*Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".
Two copies MUST be filled with the BIR and one held by the taxpayers.*



1702-RT 01/18ENCS P1

| | | | |
|--|--|--|--|
| 1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal | 3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No | 4 Short Period Return <input type="radio"/> Yes <input checked="" type="radio"/> No | 5 Alphanumeric Tax Code (ATC) IC 055-Minimum Corporate Income Tax (MCIT) <input checked="" type="radio"/> IC010 - CORPORATION IN GENERAL - JAN 1, 2009 <input type="radio"/> |
| 2 Year Ended (MM/20YY) 12 - December 20 24 | | | |

Part I - Background Information

| | |
|---|------------------------------|
| 6 Tax Identification Number (TIN) 008 - 922 - 703 - 00000 | 7 RDO Code 074 |
| 8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) ASIA PACIFIC MEDICAL CENTER - ILOILO INC. | |
| 9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) BRGY. UNGKA, JARO ILOILO CITY | |
| 9A ZIP Code 5000 | |
| 10 Date of Incorporation/Organization (MM/DD/YYYY) 12/10/2004 | 11 Contact Number 0333399991 |
| 12 Email Address apmci.taxcompliance@gmail.com | |
| 13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended] | |

Part II - Total Tax Payable

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

| | |
|---|-----------|
| 14 Tax Due | 0 |
| 15 Less: Total Tax Credits/Payments | 953,919 |
| 16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) | (953,919) |
| Add: Penalties | |
| 17 Surcharge | 0 |
| 18 Interest | 0 |
| 19 Compromise | 0 |
| 20 Total Penalties (Sum of Items 17 to 19) | 0 |
| 21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Items 16 and 20) | (953,919) |
| If Overpayment, mark one(1) box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as a tax credit for next year/quarter | |

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

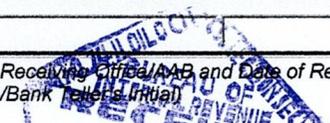
| | | |
|--|--|---------------------------------|
| Signature over Printed Name of President/Principal Officer/Authorized Representative | Signature over Printed Name of Treasurer/Assistant Treasurer | 22 Number of Attachments 000 |
| Title of Signatory | Title of Signatory | |

Part III - Details of Payment

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

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

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





| | | | | |
|--|-----|-----|-------|---|
| Taxpayer Identification Number(TIN) | | | | Registered Name |
| 008 | 922 | 703 | 00000 | ASIA PACIFIC MEDICAL CENTER - ILOILO INC. |

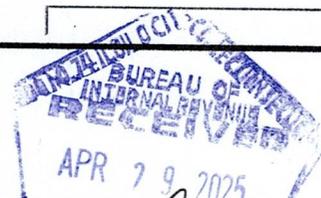
Part IV - Computation of Tax

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

| | |
|---|---------------|
| 27 Sales/Revenues/Receipts/Fees | 352,812,011 |
| 28 Less: Sales Returns, Allowances and Discounts | 44,901,985 |
| 29 Net Sales/Revenues/Receipts/Fees (Item 27 Less Item 28) | 307,910,026 |
| 30 Less: Cost of Sales/Services | 268,767,300 |
| 31 Gross Income from Operation (Item 29 less Item 30) | 39,142,726 |
| 32 Add: Other Taxable Income Not Subjected to Final tax | 1,490,856 |
| 33 Total Taxable Income (Sum of Items 31 and 32) | 40,633,582 |
| Less: Deductions Allowable under Existing Law | |
| 34 Ordinary Allowable Itemized Deductions | 438,084,009 |
| 35 Special Allowable Itemized Deductions | 0 |
| 36 NOLCO (Only for those taxable under Sec. 27(A to C); Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended) | 0 |
| 37 Total Deductions (Sums of Items 34 to 36) | 438,084,009 |
| OR [in case taxable under Sec 27(A) & 28(A)(1)] | |
| 38 Optional Standard Deduction (OSD) (40% of Item 33) | 0 |
| 39 Net Taxable Income/(Loss) <u>If itemized:</u> Item 33 Less Item 37; <u>If OSD:</u> Item 33 Less Item 38 | (397,450,427) |
| 40 Applicable Income Tax Rate | 25 % |
| 41 Income Tax Due other than Minimum Corporate Income Tax(MCIT) (Item 39 x Item 40) | 0 |
| 42 MCIT Due (2% of Item 33) | 0 |
| 43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) | 0 |
| Less: Tax Credits/Payments(attach proof) | |
| 44 Prior Year's Excess Credits Other Than MCIT | 0 |
| 45 Income Tax Payment under MCIT from Previous Quarter/s | 0 |
| 46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s | 0 |
| 47 Excess MCIT Applied this Current Taxable Year | 0 |
| 48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307 | 436,872 |
| 49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter | 517,047 |
| 50 Foreign Tax Credits, if applicable | 0 |
| 51 Tax Paid in Return Previously Filed, if this is an Amended Return | 0 |
| 52 Special Tax Credits | 0 |
| Other Credits/Payments (Specify) | |
| 53 | 0 |
| 54 | 0 |
| 55 Total Tax Credits/Payments (Sum of Items 44 to 54) | 953,919 |
| 56 Net Tax Payable (Overpayment) (Item 43 Less Item 55) | (953,919) |

Part V - Tax Relief Availment

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



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

| | |
|---|---|
| Taxpayer Identification Number(TIN) 008 922 703 00000 | Registered Name ASIA PACIFIC MEDICAL CENTER - ILOILO INC. |
|---|---|

Part VI - Schedules

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

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

| | | |
|--|--|--------------------|
| 1 Amortization | | 0 |
| 2 Bad Debts | | 0 |
| 3 Charitable and Other Contributions | | 0 |
| 4 Depletion | | 0 |
| 5 Depreciation | | 48,382,414 |
| 6 Entertainment, Amusement and Recreation | | 0 |
| 7 Fringe Benefits | | 0 |
| 8 Interest | | 155,699,208 |
| 9 Losses | | 0 |
| 10 Pension Trusts | | 0 |
| 11 Rental | | 44,211 |
| 12 Research and Development | | 0 |
| 13 Salaries, Wages and Allowances | | 87,491,420 |
| 14 SSS, GSIS, Philhealth, HDMF and Other Contributions | | 14,586,982 |
| 15 Taxes and Licenses | | 6,926,145 |
| 16 Transportation and Travel | | 1,190,229 |
| 17 Others(Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet(s), if necessary) | | |
| a Janitorial and Messengerial Services | | 0 |
| b Professional Fees | | 33,272,069 |
| c Security Services | | 8,684,813 |
| d UTILITIES | | 51,738,090 |
| e OFFICE SUPPLIES | | 8,509,166 |
| f BOARD MEETING AND CONFERENCES | | 4,862,485 |
| g INSURANCE | | 2,305,495 |
| h TRAINING AND SEMINARS | | 954,891 |
| i OTHERS | | 13,436,391 |
| 18-Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) | | 438,084,009 |

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

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



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

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



| | | | | |
|--|-----|-----|-------|---|
| Taxpayer Identification Number(TIN) | | | | Registered Name |
| 008 | 922 | 703 | 00000 | ASIA PACIFIC MEDICAL CENTER - ILOILO INC. |

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

| | | |
|---|---|---------------|
| 1 | Gross Income | 40,633,582 |
| 2 | Less: Ordinary Allowable Itemized Deductions | 438,084,009 |
| 3 | Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A) | (397,450,427) |

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

| Year Incurred | Net Operating Loss | | B) NOLCO Applied Previous Year/s |
|---------------|--------------------|--|----------------------------------|
| | A) Amount | | |
| 4 2024 | 397,450,427 | | 0 |
| 5 2023 | 147,365,993 | | 0 |
| 6 2022 | 52,339,339 | | 0 |
| 7 2021 | 78,315,301 | | 0 |

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

| Year | C) NOLCO Expired | D) NOLCO Applied Current Year | E) Net Operating Loss (Unapplied) |
|------|--|-------------------------------|-----------------------------------|
| | | | [E = A Less (B + C + D)] |
| 4 | 0 | 0 | 397,450,427 |
| 5 | 0 | 0 | 147,365,993 |
| 6 | 0 | 0 | 52,339,339 |
| 7 | 0 | 0 | 78,315,301 |
| 8 | Total NOLCO (Sum of Items 4D to 7D) | | 0 |

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

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

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

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

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

| | | |
|----|---|---------------|
| 1 | Net Income/(Loss) per Books | (397,759,075) |
| | Add: Non-deductible Expenses/Taxable Other Income | |
| 2 | INTEREST EXPENSE ARBITRAGE | 526 |
| 3 | UNREALIZED FOREX LOSS | 310,228 |
| 4 | Total (Sum of Items 1 to 3) | (397,448,321) |
| | Less: A) Non-Taxable Income and Income Subjected to Final Tax | |
| 5 | INTEREST INCOME | 2,106 |
| 6 | | 0 |
| | B) Special Deductions | |
| 7 | | 0 |
| 8 | | 0 |
| 9 | Total (Sum of Items 5 to 8) | 2,106 |
| 10 | Net taxable Income (Loss) (Item 4 Less Item 9) | (397,450,427) |

