



# SECURITIES AND EXCHANGE COMMISSION

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**Receiving:** DONNA ENCARNADO

**Receipt Date and Time:** May 28, 2026 11:03:18 PM

## Company Information

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**SEC Registration No.:** CS201423954

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

**Industry Classification:** N85122

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST105282026811507409

**Document Type:** ANNUAL\_REPORT

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

**Period Covered:** December 31, 2025

**Submission Type:** Original Filing

**Remarks:** with fs

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

# COVER SHEET

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S.E.C. Registration Number

ASIA PACIFIC MEDICAL CENTER -  
ILOILO, INC. (FORMERLY: ALLIED  
ALLIED CARE EXPERTS (ACE)  
MEDICAL CENTER - ILOILO, INC.)

(Company's Full Name)

B R G Y . , U N G K A J A R O , I L O I L O ,

I L O I L O C I T Y 5 0 0 0

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

MAYLENE B. VILLAUEVA

Contact Person

(033) 321-57-48/320-22-32

Company Telephone Number

1 2      3 1  
Month      Day

Fiscal Year

17-A  
FORM TYPE

0 7      4th      Thurs  
Month      Day

Annual Meeting

REGISTERED ISSUER

Secondary License Type, If Applicable

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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Top be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended 31 December 2025
2. SEC Identification Number CS201423954                      3. BIR Tax Identification No. 008-922-703
4. Exact name of issuer as specified in its charter:  
ASIA PACIFIC MEDICAL CENTER – ILOILO INC. (FORMERLY KNOWN AS ALLIED CARE EXPERTS  
(ACE) MEDICAL CENTER - ILOILO INC.)
5. Iloilo City, Philippines    6.  (SEC Use Only)  
Province, Country or other jurisdiction of                      Industry Classification Code  
Incorporation or organization
6. Brgy. Ungka, Jaro, Iloilo City    5000  
Address of principal office    Postal Code
8. (033) 3215748  
Issuer's telephone number, including area code
9. N/A  
Former name, former address and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class "	Number of Shares of Common Stock	Outstanding and Amount of Debt Outstanding
Founder.....	600	
Common	239,400	

The total outstanding debt of the company as of December 31, 2025 is P2,310,642,896

12. Check whether the issuer:
- (a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
- Yes[ / ]                      No[ ]
- (b) Has been subject to such filing requirements for the past ninety (90) days.
- Yes[ / ]                      No[ ]

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

26,000 First Tranche of IPO shares sold at Php 250,000 per block	PhP 650,000,000.00
5,000 Second Tranche of IPO shares sold at PhP 300,000 per block	Php 150,000,000.00
4,960 Second Tranche of IPO shares sold at PhP 400,000 per block	Php 198,400,000.00
<b>TOTAL AGGREGATE MARKET VALUE</b>	<b>PhP 998,400,000.00</b>

One block is equivalent to Ten (10) shares

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

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

Yes       No        NOT APPLICABLE

#### DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them, and identify the part of SEC Form 17-A into which the document is incorporated:

- a) Audited Financial Statements as of and for the year ended December 31, 2025 (incorporated as reference for Items 7 and 12 of Sec Form 17-A)

### PART 1 – BUSINESS AND GENERAL INFORMATION

#### Item 1. Business

##### BUSINESS DEVELOPMENT

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.) (hereinafter "APMCI" or The Company) is a domestic corporation duly organized under the existing laws of the Republic of the Philippines. The Securities and Exchange Commission granted the Company corporate existence on 10 December 2014.

APMCI has an authorized capital stock of Two Hundred Forty Million Pesos (240,000,000.00) divided into Six Hundred (600) Founders' Shares and Two Hundred Thirty-Nine Thousand Four Hundred (239,400) Common Shares both with a par value of One Thousand Pesos (Php1,000.00) per share. These shares are fully subscribed and paid.

APMCI was organized to 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, and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic, or similar care. Purely professional, medical, or surgical services shall be performed by duly qualified 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.

To support the construction of its initial hospital project, the Company applied for and was issued a Permit to Offer Securities on 27 December 2018 thru SEC MSRD Order No. 37 Series of 2018. The company also obtained a loan facility from the Development Bank of the Philippines. The construction of

Asia Pacific Medical Center-Iloilo commenced sometime in October 2015.

On 14 April 2023, the Board of Investments approved the registration of the Company as a New Operator of General Hospital Level 2 under Tier I of the 2022 Strategic Investment Priority Plan (SIPP) of R.A. 11534 (CREATE Act). The registration entitles the Company an Income Tax Holiday for six (6) years, enhanced deduction for five (5) years and duty exemption for eleven (11) years.

As of 31 December 2025, the construction of the multi-disciplinary hospital being developed by the Company was **100.00% complete**.

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Iloilo Inc.) is a 9 – storey 100 – bed capacity hospital with helipad and perimeter and basement parking that can accommodate 6 Mini buses, 5 ambulances, 80 cars and 11 motorcycles with total floor area of 28,550.50 sq. meters constructed in a 6,000 sq.m. property located at Brgy. Ungka, Jaro, Iloilo City. It intends to apply for additional authorized bed capacity as soon as hospital admissions exceed the current authorized bed capacity. It provides services to residents of Jaro, Iloilo City, nearby Barangays and Municipalities, the whole of Iloilo and the neighboring provinces which are considered its catchment areas.

APMCI has not filed for bankruptcy, receivership nor has been a subject of similar proceedings.

Neither has there been a material reclassification, merger, consolidation, or purchase or sale of a significant amount of its assets not in the ordinary course of business.

## **BUSINESS OF THE ISSUER**

### **Description of Business**

The Company is engaged principally in the operation of a hospital business. Its revenues are derived primarily from hospital operations, including patient admissions, outpatient consultations, diagnostic and imaging services, laboratory services, and other ancillary and specialty medical services.

The Company operates under the regulatory supervision of the Department of Health (“DOH”), PhilHealth, local government units, and other government agencies having jurisdiction over hospitals and healthcare facilities.

On 3 November 2023, the Company was issued its License to Operate by the DOH as a Level 2 Hospital. The Company commenced hospital operations on 8 December 2023 upon the start of patient admissions. Prior thereto, on 13 November 2023, the Company opened its Outpatient Departments as part of its initial activities following the issuance of its LTO.

A Tertiary Hospital is a hospital that provides tertiary care, which is health care from specialists in a large hospital after referral from primary care and secondary care. Tertiary Hospitals offer training programs for doctors who want to go into specialization.

Under the Rules and Regulations Governing the New Classification of Hospitals and Other Health Facilities in the Philippines (Effective: August 18, 2012), a tertiary hospital provides health care from specialists in a large hospital after referral from primary care and secondary care. A Level 2 Hospital is required to possess , among others, all Level 1 capabilities and certain additional service capacities. These include:

1. An organized staff of qualified and competent personnel with a Chief of Hospital/Medical Director and appropriate board-certified Clinical Department Heads
2. Departmentalized and equipped with the service capabilities needed to support board-certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery; including their subspecialties and ancillary services;
3. A general intensive care unit for critically ill patients.

4. A neonatal intensive care unit
5. Provision for HRP (High Risk Pregnancy Unit)
6. Provision for respiratory therapy services;
7. A DOH licensed tertiary clinical laboratory;
8. A DOH licensed level 3 imaging facility with mobile x-ray inside the institution and with capability for contrast examinations.

Asia Pacific Medical Center - Iloilo aspires to become a tertiary hospital in the future in order to further enhance and expand the delivery of quality healthcare services to the people of Iloilo Province and Iloilo City. This vision is anchored not only on serving the Ilonggo community, but also on addressing the healthcare needs of neighboring provinces throughout the Panay Region. Through this endeavor, the institution remains committed to championing excellence in healthcare and contributing to the advancement of accessible, comprehensive, and patient-centered medical services in the region.

## **SERVICES**

The Company provides a range of hospital and medical services through its inpatient, outpatient, diagnostic, therapeutic, and ancillary service units.

Its current diagnostic and imaging services include:

- Magnetic Resonance Imaging (MRI)
- Computed Tomography (CT) Scan
- Mammography
- Echocardiography

The Company also provides or operates the following specialized services and units:

- Regenerative Medicine Center
- Hemodialysis Center
- Blood Bank with expanded functions
- High-Risk Pregnancy Unit
- Endoscopy Center
- Newborn Hearing Screening Test
- Antimicrobial Resistance Surveillance Program

Under the Yakap Program of the Philippine Health Insurance Corporation (“PhilHealth”), the Company provides outpatient cancer screening services, including:

- Mammography
- Breast ultrasound
- Liver ultrasound
- Alpha-fetoprotein (AFP) testing
- Low-dose chest CT scan

## **Planned Services and Expansion**

The Company may expand its service offerings in the future, including the potential addition of bone densitometry and liver elastometry services subject to applicable regulatory approvals, capital expenditure requirements and market conditions.

As part of its business development plans, the Company is also evaluating the establishment or expansion of additional specialty and ancillary services, including the following:

- Cardiac Catheterization Laboratory
- Oncology Center and Transfusion Unit
- Infertility Unit

- Research Center
- Ophthalmology Operating Room
- HIV Hub
- Ambulatory Surgical Clinic
- Wellness Center

These proposed initiatives and plans are prospective in nature and remain subject to feasibility review, regulatory compliance, funding availability, demand conditions, and approval by management and, where required, the Board of Directors.

## **SERVICE DISTRIBUTION**

The Company distributes its services through a single-facility hospital model serving a defined geographic catchment area. Its patient volume is concentrated in Iloilo City with additional patient inflow from adjacent provinces and municipalities. The Company's services are delivered through both inpatient and outpatient settings, with Laboratory and Radiology department activity representing a significant portion of total patient encounters.

For the year ended December 31, 2025, service distribution was as follows:

Category: Tertiary Level II  
 Licensed beds: 100  
 Inpatient admissions: 3,773  
 Patient days: 20,492  
 Average length of stay: 5 days  
 Occupancy rate: 55.89%  
 Outpatient visits: 17,230  
 Emergency room visits: 5,611  
 Surgical procedures: 2,386  
 Deliveries: 85  
 Laboratory tests: 110,602  
 Imaging procedures: 14,315

The Company's principal revenue-generating departments include inpatient care, outpatient care, emergency services, surgery, laboratory, imaging, pharmacy, and women's and children's services.

## **Geographic Market**

The Company primarily serves patients from Iloilo City and various municipalities in the Province of Iloilo, which collectively accounted for an estimated 91% of patient volume in 2025. The remaining 9% of patient volume came from neighboring provinces and other areas. Management believes that the Company's proximity to residential and commercial population centers, transportation access, and physician network contribute to its market position.

## **Payor Mix**

The Company derives revenues from a mix of government-sponsored healthcare reimbursement programs, private health maintenance organizations ("HMOs"), commercial insurance, corporate accounts, and self-pay patients. The Company's payor mix affects reimbursement rates, collection periods, and net revenue realization.

For the year ended December 31, 2025, the Company's gross patient service revenue by payor category was approximately:

<b>Payor Category</b>	<b>% of Gross Patient Service Revenue</b>
Government healthcare programs	58%
HMOs / private insurance	33%
Self-pay	9%

The above percentages are based on management's estimates derived from available billing and collection data and may not represent exact amounts. A significant portion of the Company's patient base relies on government healthcare reimbursement and HMO/private insurance arrangements. As a result, the Company's operating results may be affected by reimbursement policy changes, claims processing delays, patient affordability, and collection trends.

### **MEDICAL STAFF AND PRACTICE PRIVILEGES**

Ownership of shares in the Company does not, by itself, entitle a stockholder to practice his or her profession in the hospital or to use the hospital's facilities as a member of the medical staff.

Physicians and medical specialists who subscribe to at least one (1) block or ten (10) shares of the Company's capital stock, whether founder or common shares, and who have fully paid their subscriptions, may apply for the privilege to practice in the hospital. Such application remains subject to screening, credentialing, and privileging requirements under the Company's Articles of Incorporation, By-Laws, internal rules, and applicable resolutions and policies of the hospital.

Practice privileges are granted only upon compliance with the Company's qualification standards and approval by the appropriate hospital authorities or committees. Such privileges are subject to continuing compliance with applicable qualifications, standards, restrictions, limitations, and obligations imposed by the Company. Medical specialists granted practice privileges may also be subject to post-qualification review and periodic assessment.

The Company charges a one-time privilege-to-practice fee of Php150,000.00 to each duly admitted medical specialist, in addition to applicable monthly fees for clinic maintenance and utilities.

### **MANAGEMENT DISCOUNT AND STOCKHOLDER PRIVILEGES**

In accordance with existing Company policies, the Company grants certain privileges to its stockholders, medical stockholders, and, where applicable, their spouses, dependents, and natural parents. Such benefits are intended to form part of the privileges attached to stock ownership and professional affiliation with the Hospital, subject to the terms and conditions prescribed by management, availability of rooms and facilities, applicable hospital policies, and credentialing requirements.

#### **A. Privileges for STOCKHOLDERS & SPOUSE**

- (1) Board and/or Lodging - Free board and lodging for up to 45 days per annum up to a Standard Room subject to room availability and on a first come, first served basis. In case of unavailability of a Standard room, any excess in room rate for a higher accommodation shall be borne by the investor.
- (2) Twenty (20%) discount on the professional fees of medical stockholders during confinement and outpatient consultation.
- (3) Waiver of operating room, delivery room and emergency room fees
- (4) Fifty percent (50%) discount on the following hospital diagnostic and ancillary services:
  - a. X-ray, CT Scan, MRI, UTZ, mammography;

- c. Laboratory Procedures;
  - d. EEG, ECG, Tread Mill, 2D Echocardiography;
  - e. Physical Therapy
- (5) Ten percent (10%) discount on pharmacy, CSR, and operating room materials
- (6) For dental services:
- a. Free consultation;
  - b. Thirty percent (30%) discount on Restorative, Preventive, Periodontics, Endodontics, Surgery and Bleaching procedures;
  - c. Ten percent (10%) discount on Prosthodontics procedures

## **B. Privileges for MEDICAL STOCKHOLDERS**

Medical stockholders are entitled to the foregoing stockholder benefits and are likewise granted the following professional privileges , subject to hospital rules and credentialing requirements:

- (1) Privilege to hold clinic within the Hospital for a minimum of 12 hours to a maximum of twenty (20) hours a week subject only to payment of maintenance, telephone, water & electricity charges; and
- (2) Privilege to be included in the decking/rotation of House Cases. This privilege to practice is subject to the following conditions:
  - a. Full payment of minimum holding of one (1) block equivalent to ten (10) common shares.
  - b. Graduation from an accredited residency training program and approval by the Credentials Committee.
  - c. Agreement to extend the corresponding professional fee discounts to stockholders in accordance with the established stockholder privilege program.

## **C. Privileges for NATURAL PARENTS and DEPENDENTS of stockholders**

The Company also extends the following privileges to the natural parents and dependents of stockholders:

- (1) Fifty percent (50%) discount on board and/or lodging for forty-five(45) days per annum up to a private room subject to room availability and on a first-come, first-served basis. Accommodation may be upgraded to a Suite Room, provided that the corresponding fee difference in rates is paid by the patient;
- (2) Twenty percent ( 20%) discount on professional fees of medical stockholders during confinement and outpatient consultation.
- (3) Fifty percent (50%) discount on operating room, delivery room and emergency room fees
- (4) Twenty- five percent (25%) discount on the following hospital diagnostic and ancillary services:
  - a. X-ray, CT Scan, MRI, ultrasound, mammography;.
  - c. Laboratory Procedures;
  - d. EEG, ECG, Tread Mill test and 2D Echocardiography;
  - e. Physical Therapy
- (5) Ten percent (10%) discount for pharmacy, CSR, OR materials
- (6) For dental services:
  - a. Fifty percent (50%) discount on consultation;
  - b. Thirty percent (30%) discount on Restorative, Preventive, Periodontics, Endodontics, Surgery and Bleaching procedures;
  - c. Ten percent (10%) discount on Prosthodontics procedures

## **D. PORTABILITY or EXTENDED DISCOUNTS**

The Company's stockholder privilege program also provides for portability or extended availment of benefits under the following terms:

- The schedule of discounts applicable to dependents may likewise be availed of by the principal investor, spouse, dependents, and natural parents in medical facilities that have entered into a Memorandum of Agreement with Asia Pacific Medical Center-Iloilo, Inc., **subject to the internal policies of the partner Hospital and provided that the grant of such discounts does not adversely affect the financial position of the hospital concerned**; and
- Medical stockholders may, subject to applicable credentialing policies and requirements, be granted the privilege to admit and/or manage patients in other partner hospitals.

#### E. General Conditions

The foregoing privileges are non-transferable, subject to verification of eligibility, and may be availed of only in accordance with Company policy and the rules and regulations of the Hospital and its partner institutions. The grant and continued availability of such privileges remain subject to room and facility availability, first-come, first-served limitations, internal operating policies, and such amendments or restrictions as the Company may adopt from time to time in the ordinary course of business.

#### COMPETITION

The issuer belongs to an industry which caters to the need of the public and medical specialists for hospital facilities. There are no recognized trends within such an industry. The geographic area of competition is in Iloilo City wherein the following Hospitals are operating:

NAME OF HOSPITAL	ADDRESS	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
AMOSUP (Associated Marine Officers' and Seamen's Hospital Iloilo)	Odate St., Mandurriao, Iloilo City	42	Private	2
Iloilo Doctors Hospital	Infante St., Molo, Iloilo City	300	Private	3
Iloilo Mission Hospital	Mission Road, Jaro, Iloilo City	261	Private	3
Medicus Medical Center Iloilo	Dr. Rizalina Bernardo Avenue, San Rafael Mandurriao, Iloilo City	150	Private	2
Metro Iloilo Hospital and Medical Center, Inc.	Metropolis Avenue, Brgy. Tagbak, Jaro, Iloilo City	110	Private	2
Qualimed Hospital	Donato Pison Avenue, San Rafael Mandurriao, Iloilo City	104	Private	2

St. Paul's Hospital	General Luna St., Brgy., Danao, Iloilo City	265	Private	3
The Medical City Iloilo	Locsin St., Molo, Iloilo City	108	Private	2
West Visayas State University Medical Center (DOH Facility)	E. Lopez St., Jaro, Iloilo City	300	Public	3
Western Visayas Medical Center (DOH Facility)	Q. Abeto St., Mandurrao, Iloilo City	700	Public	3
Western Visayas Sanitarium & General Hospital (DOH Facility)	RG7G+ CQ9, Oton-San Jose Santa Barbara Rd, Santa Barbara, Iloilo	300	Public	2

The strategic location of APMCI primarily influences the decision of the medical specialists to subscribe to the shares of stock in APMCI. Once the Doctor decides where to practice, price and quality of facility management come as the next factors. The good location, proximity to patients, reasonableness of the offer price, and quality of the facilities enable APMCI to effectively compete with its competitors within the area.

APMCI is primarily owned and managed by doctor specialists who have established a medical practice in the locality. This unique setup is a strong strategic factor of the hospital since each doctor-owner has established patient following in their respective fields. APMCI places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Women's Health Center, Male and Female Fertility Center, Health and Aesthetic Centre, Regenerative Medicine, and among other services, the hospital is preparing to build a Cardiac Cath laboratory and Rehabilitation Center, an Eye Center, and Oncology Center.

The hospital is currently working on an international accreditation with an ISO-International Organization for Standardization which is a worldwide federation of national standard bodies and Joint Commission International, standards of which properly define the performance, expectations, structures, and functions of a hospital which seeks accreditation. Its major thrust is in the delivery of quality healthcare and patient safety.

The hospital offers both preventive and medical treatment packages at a very competitive cost, if not lesser than the nearby hospital facilities, without compromising the quality of healthcare service it delivers to its patients. The hospital makes sure that by following the policies of the Credentialing and Privileging Committee, the medical staff of APMC Iloilo are clinically competent and certified specialists.

Aside from these, patients find a better ambiance with APMCI due to its carefully planned, designed, and constructed hospital building. Its advantage is not simply its newly built structure, but it also boasts of new facilities and equipment, plus the competency of its Medical Specialists.

## **SUPPLIERS, SERVICE PROVIDERS AND MAJOR CONTRACTORS**

The Company procures medicines, medical supplies, medical equipment, utilities, and support services from various third-party suppliers and service providers. Management believes that alternative sources are generally available for most of its regular supply and service requirements, subject to pricing, quality, availability, and regulatory standards.

Certain specialized medical equipment, supplies, and maintenance support may be sourced from a limited number of qualified suppliers or distributors as follows:

1. Biospectra Marketing
2. BTL Medical Technologies Inc.
3. Endure Medical Inc.
4. Excel Global Inc.
5. Jamesluise Medical Device Enterprises
6. Labsolution Technologies Inc.
7. Oxford Distributions Inc.
8. Scientific Biotech Specialties Inc.
9. UNILAB Inc.
10. Zuellig Pharma Corporation

## **PATIENTS**

The Company's principal customers are patients requiring inpatient, outpatient, diagnostic, therapeutic, and specialty medical services. The Company also serves patients referred by physicians practicing in or affiliated with the hospital.

The Company does not consider itself dependent on any single patient or customer such that the loss of such patient or customer would have a material adverse effect on its business. It is widely spread among both the locals and foreigners in Iloilo City and other nearby towns and cities within the Province of Iloilo.

## **ACCREDITATIONS AND RECOGNITIONS**

The Company is accredited by PhilHealth for its Yakap OPD Oncology Screening Test.

The Company was also awarded Gold Status in the WSO Angels Awards Q2 2025 in recognition of excellence in stroke patient care and is recognized as a Stroke-Ready Hospital.

In addition, the Company is recognized as a Category A Newborn Hearing Screening Center, based on the records of the Newborn Hearing Screening Reference Center.

## **QUALITY AND ACCREDITATION INITIATIVES**

The Company is undertaking initiatives to strengthen quality management systems and patient safety standards. These include efforts toward international accreditation or certification, such as ISO (International Organization for Standardization) certification and Joint Commission International (JCI) accreditation.

Such initiatives are ongoing and remain subject to internal readiness, compliance with applicable standards, and assessment by the relevant accrediting or certifying bodies.

## **TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES**

The Company has entered into a Memorandum of Agreement for the granting of discounts to its stockholders with the following hospitals and vice versa:

1. Asia Pacific Medical Center - Bacolod, Inc.

2. Allied Care Experts Medical Center - Baliwag, Inc.
3. Allied Care Experts Medical Center - Bayawan, Inc.
4. Allied Care Experts Medical Center - Baypointe, Inc.
5. Allied Care Experts Medical Center - Bohol, Inc.
6. Allied Care Experts Medical Center - Butuan, Inc.
7. Allied Care Experts Medical Center – Cagayan De Oro, Inc.
8. Allied Care Experts Medical Center - Cebu, Inc.
9. Allied Care Experts Medical Center - Dipolog, Inc.
10. Allied Care Experts Dumaguete Doctors, Inc.
11. Allied Care Experts Medical Center - General Santos, Inc.
12. Allied Care Experts Medical Center - Legazpi, Inc.
13. Allied Care Experts Medical Center - Mandaluyong, Inc.
14. Allied Care Experts Medical Center - Palawan, Inc.
15. Allied Care Experts (ACE) Medical Center - Pateros, Inc.
16. Allied Care Experts (ACE) Medical Center - Quezon, Inc.
17. Allied Care Experts (ACE) Medical Center - Tacloban, Inc.
18. Allied Care Experts Medical Center - Valenzuela, Inc.
19. Asia Pacific Medical Center - Aklan, Inc.

The availability of discounts and other privileges shall be subject to the internal policies of the aforementioned hospitals, without prejudice to the financial condition of the referral hospital.

### **GOVERNMENT APPROVAL**

The Company’s operations are subject to various laws, rules, and regulations administered by the Department of Health, PhilHealth, the Food and Drug Administration, the Bureau of Internal Revenue, the Department of Labor and Employment, local government units, and other government agencies.

The Company is required to maintain, renew, and comply with licenses, permits, accreditations, and certifications necessary for the operation of a hospital and related healthcare services. These include, among others, its DOH License to Operate and PhilHealth accreditations for applicable services and programs.

As of the date of this report, the Company has the approvals and accreditations necessary for its current operations, subject to regular renewal and continuing compliance with applicable regulatory requirements.

### **EMPLOYEES**

As of 31 December 2025, the Company has a total of 756 regular and probationary employees.

Below is the tile breakdown of the current manpower of APMCI.

<b>Classification</b>	<b>Number of Employees</b>
Direct Labor	<b>533</b>
Management Personnel	9
Rank and File	524
Indirect/Selling/ Administrative Personnel	<b>223</b>
Contractual Employees	67
<b>Total</b>	<b>756</b>

There is no definite number of employees to be hired in the next twelve (12) months as it would depend on the census in the next six (6) months and increase in the bed capacity of the hospital.

There is no existing labor organization or union among the employees of APMCI. APMCI employees have likewise not gone on strike or other concerted union action in previous years.

APMCI adopts a performance-based compensation scheme for its employees.

## Medical Specialists

Medical Specialists are Doctors who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentialing and Privileging Committee and approved by the Board and Management of APMCI.

The admission to the Medical Staff roster of APMCI is under the jurisdiction of the Credentialing and Privileging Committee.

The Credentialing and Privileging Committee requires that the medical specialists of APMCI have updated professional licenses as practicing physicians from the PRC and PHIC.

They should have finished their training in the Accredited Specialty and Subspecialty Societies of their fields in the Philippines and should be certified Diplomates and Fellows of their respective Medical Specialties. Documentary requirements shall be submitted to the Credentialing and Privileging Office upon application, and upon submission of the requirements, the committee will recommend to the Chief of Medical Services and the Executive President for final approval.

Medical specialists may have the option to apply for a Privilege to Practice and enjoy a clinic space and time at APMCI, or practice as regular visiting medical staff. Policies and procedures for acceptance to the medical staff are stated in the Manual of Policies and Procedures of the Credentialing and Privileging Committee. Review of the medical staff credentials is annual, and privileges review is every two (2) years.

As of 31 December 2025, Asia Pacific Medical Center-Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center- Iloilo, Inc) has a total of 605 Medical Staff who passed the requirements of the Medical Credentialing and Privileging Committee in the following departments:

DEPARTMENT	TOTAL
Internal Medicine	118
Pediatrics	71
Surgery	72
Obstetrics and Gynecology	54
Anesthesiology	40
Family Medicine	15
Dental Medicine	4
Imaging	28
Pathology	11
Rehabilitation ( <i>Cardio Rehabilitation, Neuro Rehabilitation, Physical Rehabilitation</i> )	3
Psychiatry	4

These professionals provide intensive management across a wide range of medical and surgical conditions. Their combined knowledge and collaborative approach ensure that patients receive comprehensive treatment and case based on specialties.

DEPARTMENT		TOTAL
INTERNAL MEDICINE	Cardiology	20
	Critical Care	1
	Endocrinology	7
	Gastroenterology	7
	Infectious Diseases	5
	Geriatric Medicine	2
	Medical Oncology	3
	Nephrology	14
Neurology	5	

	Rheumatology	3
	Pulmonology	20
	Toxicology	1
	Hematology	1
	Clinical Nutrition	1
	General Medicine	23
	Dermatology	1
<b>PEDIATRICS</b>	Nephrology	2
	Pulmonology	3
	Neonatology	2
	Neurology	2
	Allergology and Immunology	2
	Cardiology	5
	Clinical and Metabolic Genetics	1
	Adolescent Medicine	1
	Critical Care	1
	Endocrinology	1
	Gastrology	1
	Hematology & Oncology	2
	Infectious Diseases	1
	Rheumatology	2
	General Pediatrics	43
	Ambulatory	1
	Toxicology	1
<b>SURGERY</b>	Surgical Oncology	2
	Hepatobiliary	2
	NeuroSurgery	3
	Orthopedics	15
	Otorhinolaryngology, Head & Neck	12
	Pediatric Surgery	2
	Ophthalmology	3
	Cardiovascular Surgery	4
	Urology	6
	Endovascular	1
	General Surgery	15
	Breast Surgery	1
	Laparoscopic and Colorectal Surgery	4
	Oral Maxillofacial Surgery	1
<b>OBSTETRICS AND GYNECOLOGY</b>	General Obstetrics and Gynecology	40
	Cosmetic Gynecology	2
	Gyne Oncology	4
	Perinatology	2
	Reproductive Endocrinology	1
	OB Ultrasonography	3
	Trophoblastic Diseases	1
<b>IMAGING</b>	General Radiology	14
	Breast Imaging	1
	Ultrasonography	4
	CT MRI	7
	Interventional Radiology	2

## **PATENTS, TRADEMARKS, COPYRIGHTS, LICENSES, FRANCHISES, CONCESSIONS AND ROYALTY AGREEMENTS**

The Company uses its corporate name, trade name, and other business identifiers in the ordinary course of its business. The Company is not substantially dependent upon any patent, trademark, copyright, franchise, concession, or royalty agreement in the conduct of its business, except for such registrations, licenses, and similar rights as are customarily maintained in connection with branding, software, equipment, and other operational requirements. To the best of the Company’s knowledge, there are no material patent, trademark, copyright, franchise, concession, or royalty agreements upon which its business is substantially dependent.

The Company, together with Asia Pacific Medical Center – Bacolod, Inc. and Asia Pacific Medical Center – Aklan, Inc., filed with the Intellectual Property Office an application for the registration of the APMC logo as a trademark. The application was approved and the corresponding certificate of registration was issued on 13 April 2021. The registration forms part of the Company’s protection and use of the Asia Pacific Medical Center brand in connection with its business and operations. The Company filed the required Declaration of Actual Use on 29 December 2022.

## **RESEARCH AND DEVELOPMENT**

As the organization is in its initial stage of operations, it is actively investing in trainings and seminars to develop foundational competencies in research and development.

Here is the amount spent for training activities in 2025, 2024, and 2023.

<b>YEAR</b>	<b>AMOUNT</b>
2025	Php 255,299.17
2024	Php 954,890.95
2023	Php 1,418,787.00

The Company only started earning revenues in December 2023. In 2025, the Company spent 0.05% of its revenues for training activities.

## **EXISTING OR PROBABLE GOVERNMENT REGULATIONS ON THE BUSINESS**

The Company has no knowledge of recent or impending governmental regulations, the implementation of which will result in a material adverse effect on the company. However, various government agencies in the Philippines regulate the different aspects of the Company’s business.

The following are noteworthy laws relevant to the Company:

### **CREATE Act**

#### **Rationale:**

In April 2021, RA 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises Act” took effect. The law reduced the corporate income tax for domestic corporations from the previous 30% to 25%. Corporations with net taxable income not exceeding PhP5 Million and with total assets not exceeding PhP100 Million excluding land on which the particular business entity’s office, plant and equipment are situated during the taxable year for which the tax is imposed shall be taxed at the rate of 20%.

Also under Title XIII of RA 11534, otherwise known as the Corporate Income Tax and Incentive System, the Fiscal Incentives Review Board, or the Investment Promotion Agencies, under a delegated authority from the Fiscal Incentives Review Board shall grant the appropriate tax incentives to registered business enterprises to the extent of their approved registered project or activity under the Strategic Investment Priority Plan. Among the listed activities in the 2020 Investment Priority Plan is the Health and Disaster Risk Reduction Management Services which covers the establishment and operation of general and specialty hospitals, and other medical

and healthcare facilities including drug rehabilitation, quarantine, and evacuation centers. As mentioned above, APMCI applied for registration which was approved by the Board of Investments on 15 December 2022 and which was later approved by the Fiscal Incentives Review Board.

### **The Omnibus Investments Code of 1987**

By virtue of the registration of the Company with the Board of Investments, it is entitled to tax incentives subject to the terms and conditions of its registration including but not limited to submission of reports.

### **The Data Privacy Act**

Republic Act 10173 – Data Privacy Act of 2012 and its Implementing Rules and Regulations ensure the security of personal data and information and impose certain requirements and obligations on entities involved in the processing of personal data. Companies involved in the processing of personal data are required to appoint a Data Protection Officer and adopt a Personal Data Privacy Policy by September 1, 2017. The National Privacy Commission is tasked to administer and implement the provisions of the law and its rules and regulations.

Considering that the Company is involved in the processing of personal data, be it from investors, suppliers, employees and patients. On December 22, 2024, the Company appointed Atty. Therese Marie Gerafil as its Data Protection Officer. The company has enacted policies which provide for organizational, physical and technical security measures geared towards data protection. These policies recognize the rights of the data subject to information, access and rectification of his personal information, among others. It also provides for the procedure to be undertaken in the event of data breaches or security incidents. The policy further requires that all outsourcing arrangements of the group involving personal data collection be compliant with the requirements of the law.

### **The Universal Healthcare Act**

Republic Act No. 11223 or the Universal Health Care Act is the Philippines' first Universal Health Care (UHC) bill which was signed into law. It aims to reduce Filipinos being forced into poverty just because they cannot pay for their medical bills, while increasing access to quality health care for the poor and those living in remote areas. Fully enacted, it will entitle every Filipino citizen to health coverage that will cost them far less than what they have to pay for at present.

The Universal Health Care Act (UHC) requires all private hospitals to operate not less than ten percent (10%) of their bed capacity as basic or ward accommodation and regularly submit a report on the allotment or percentage of their bed capacity to basic or ward accommodation to DOH.

Moreover, under this law, all Filipino citizens are automatically enrolled in the Philippine Health Insurance Corporation (PhilHealth). Indigent patients are likewise eligible to PhilHealth's "No Balance Billing" scheme, which provides that no other fees or expenses shall be charged or paid by indigent patients beyond the PhilHealth package rates during their confinement period.

The Company has formulated guidelines to ensure compliance with the law.

### **The Food Safety Act of 2013**

The Republic Act (RA) No. 10611, also known as the Food Safety Act of 2013, was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring and other activities carried out by the Department of Agriculture (the "DA") and the Department of Health (the "DOH"), their pertinent bureaus, and the local government units.

The law aims for a high level of food safety, protection of human life and health in the production and consumption of food, and the protection of consumer interests through fair practices in the food trade. The law provides that the DA and the DOH shall set mandatory food safety standards, which shall be established on the

basis of science, risk analysis, and scientific advice from expert bodies. Standards of other countries, existing Philippine National Standards, and the standards of the Codex Alimentarius Commission, where these exist and are applicable.

Under this law, food business operators are charged with certain responsibilities to prevent, eliminate, or reduce risks to consumers. They are further encouraged to implement a Hazard Analysis at Critical Control Points – based system for food safety assurance in their operations.

This law regulates the operation of the commissary of the Hospital, ensuring compliance with applicable standards and regulatory requirements.

### **The Hospital Detention Act**

The Hospital Detention Act, RA 9439, signed into law last April 27, 2007, was enacted into law to prohibit the detention of patients in hospitals and medical clinics on grounds of non-payment of hospital bills or medical expenses.

The law provides that patients who have fully or partially recovered and who already wish to leave the hospital or medical clinic but are financially incapable to settle, in part or in full, their hospitalization expenses, including professional fees and medicines, shall be allowed to leave the hospital or medical clinic, with a right to demand the issuance of the corresponding medical certificate and other pertinent papers required for the release of the patient from the hospital or medical clinic upon the execution of a promissory note covering the unpaid obligation. The promissory note shall be secured by either a mortgage or by a guarantee of a co-maker, who will be jointly and severally liable with the patient for the unpaid obligation. In the case of a deceased patient, the corresponding death certificate and other documents required for interment and other purposes shall be released to any of his surviving relatives requesting for the same. Patients who stayed in private rooms are not covered by this law.

### **Anti-Hospital Deposit Law**

Republic Act No. 10932, otherwise known as the Anti-Hospital Deposit Law, provides that “in emergency or serious cases, it shall be unlawful for any hospital or medical clinic to request, solicit, demand or accept any deposit or any other form of advance payment as prerequisite for administering basic emergency care, for confinement or medical treatment, or to refuse to administer medical treatment and support to any patient.”

Under this new law, any official, medical practitioner or employee of the hospital or medical clinic who violates its provisions shall be punished by imprisonment of not less than six (6) months and one (1) day but not more than two (2) years and four (4) months, or a fine of not less than P100,000.00 but not more than P300,000.00 or both. Higher penalties of imprisonment of four (4) to six (6) years, or a fine of not less than P500,000.00 but not more than one million pesos, or both, are imposed upon directors or officers of hospitals or clinics responsible for the formulation and implementation of policies or instructions violative of the said law. Three (3) repeated violations of RA 10932, shall result in the revocation of the health facility’s license to operate by the Department of Health (DOH). Further, a presumption of liability shall arise against the hospital, medical clinic, and the official, medical practitioner, or employee involved in the event of death, permanent disability, serious impairment of the health condition of the patient-complainant or in the case of a pregnant woman, permanent injury or loss of her unborn child as a result of the denial of his or her admission to the health facility, according to RA 10932.

Under this law, the Philippine Health Insurance Corporation (PhilHealth) will reimburse the hospital or clinic for the cost of basic emergency care and transportation services given to poor and indigent patients and the Philippine Charity Sweepstakes Office (PCSO) will also provide medical assistance for the basic emergency care needs of poor and marginalized groups. To ensure compliance without jeopardizing the company’s finances, its Board of Directors has formulated policies to ensure efficient collection from the aforementioned agencies.

## **The Foods, Drugs and Devices, and Cosmetics Act**

The Food and Drug Administration (FDA) of the Philippines, formerly the Bureau of Food and Drugs (BFAD 1982-2009), is a health regulatory agency under the Department of Health created on 1963 by Republic Act No. 3720, amended on 1987 by Executive Order 175 otherwise known as the "Food, Drugs and Devices, and Cosmetics Act", and subsequently reorganized by Republic Act No. 9711, otherwise known as "The Food and Drug Administration Act of 2009".

The Foods, Drugs and Devices, and Cosmetics Act, as amended by the FDA Act of 2009 establishes standards and quality measures in relation to the distribution of health products which include pharmaceutical products sold within the hospital to ensure the safe supply thereof to and within the Philippines. The Food and Drug Administration (the "FDA", previously referred to as the Bureau of Food and Drugs) is the governmental agency attached to the DOH tasked to implement and enforce the FDDC Act.

This law regulates the operation of the hospital pharmacy.

## **Taxation**

On the matter of taxation and other charges, the Company is subject to the National Internal Revenue Code of 1997 (NIRC), as amended by Republic Act No.9334 and further amended by Republic Act No.10351. In the course of its business operations, the Company is subject to income tax and documentary stamp taxes.

In January 2019, RA 10963 otherwise known as the "Tax Reform for Accreditation and Inclusion Act" or the TRAIN Law, exempted from twelve percent (12%) VAT the sale of prescription drugs and medicines used to treat diabetes, hypertension, and high cholesterol.

## **Senior Citizens' Act**

Under Republic Act No. 7432, otherwise known as the "Senior Citizens Act", senior citizens are granted a 20% discount on goods and services, including medical and dental services in private facilities as well as diagnostic laboratory fees (X-rays, computerized topography scans and blood tests) and professional fees of attending doctors in all private hospitals and medical facilities. The law applies also to purchases from drug stores, hospital pharmacies, and similar establishments dispensing medicines. The law will allow the deduction of the Senior Citizen discount to be extended by APMCI from gross revenues during the same taxable year. In 2010, RA No. 7432 was further amended by RA. No. 9994, or the "Expanded Senior Citizens Act" which granted senior citizens additional privileges, such as exemption from the 12% expanded value-added tax (EVAT). The EVAT exemption for senior citizens applies to, among others, purchases of medicines and essential medical supplies. RA No. 9994 provides for the sharing of the burden between the Hospital and the manufacturer/distributor/supplier which will help the hospital to manage its exposures.

## **Magna Carta for Disabled Persons**

RA No. 7277, as amended by RA 9422, otherwise known as "Magna Carta for Disabled Persons" provides for additional privileges to persons with disability. In particular, persons with disability are entitled to a 20% discount on their purchase of medicines, medical and dental services, including diagnostic and laboratory fees, and professional fees of attending doctors in all private hospitals and medical facilities.

## **Maximum Retail Prices for Drugs and Medicines**

On July 27, 2009, Executive Order No. 821 was signed, prescribing the maximum retail prices for selected drugs and medicines. The EO took effect on 15 August 2009. The implementation of the said EO will have the effect of reducing the Hospital's revenues. However, with cost reduction strategies, APMCI is expected to maintain its margins.

In February 2020, EO No. 104 or Improving Access to Healthcare through the Regulation of Prices in the Retail of Drugs and Medicines was signed. The EO regulates the prices, through a maximum retail price (MRP), a maximum wholesale price, (MWP) or both of at least 86 drug molecules or 133 drug formulas selected based on a set of criteria.

In April 2021, the Department of Health issued the “Updated Suggested Retail Price (SRPs) for Essential Emergency Medicines and Medical Devices due to the Corona Virus disease 2019 (COVID-19) Health Event”.

### **Expanded Maternity Act**

In May 2019, the Implementing Rules and Regulations (IRR) for RA 11210 or the Expanded Maternity Leave Law was enacted. Under the law, both government and private employers are required to give female workers one hundred five (105) days paid maternity leave with an option to extend for an additional thirty (30) days without pay. It applies to every instance of pregnancy, and employers are required to grant it regardless of the mode of delivery, civil status, legitimacy of the child and employment status. However, for cases of miscarriage or emergency termination of pregnancy, 60 days maternity leave with full pay shall be granted.

### **National Integrated Cancer Control Law**

In August 2019, the IRR for RA No. 11215 or National Integrated Cancer Control Law was signed by the Department of Health. The IRR provides for the mechanisms by which cancer prevention, screening, diagnosis, treatment, and care can be more equitable, affordable, and accessible for all, especially the underprivileged, poor, and marginalized Filipino.

### **Laws enacted during the COVID-19 pandemic and related policies**

On 11 March 2020, the World Health Organization (WHO) declared a pandemic of the Corona Virus Disease 2019 (COVID-19). Thereafter, Presidential Proclamation No. 929, s.2020 was issued declaring a State of Calamity throughout the Philippines due to the increasing number of Filipinos infected with the virus. To address the pandemic, various laws were enacted by the Congress of the Philippines and various rules, regulations and circulars were issued by the Department of Health.

In view of the outbreak of the COVID-19 pandemic, the Department of Health had to issue various policies that affected the operations of hospitals.

### **Department Circular No. 2022-0108**

Under this Circular, all public and private hospitals were instructed to comply with PHILHEALTH Circular No. 2022-0003 which provides for Benefit Packages for Inpatient Management of Confirmed Coronavirus Disease (COVID-19) and Clarification of Probable Cases.

### **Environment - related Laws**

#### **Philippine Clean Water Act of 2004**

Republic Act (R.A.) No. 9275 titled “An Act Providing for a Comprehensive Water Quality Management and for Other Purposes”, also known as the Philippine Clean Water Act of 2004 (CWA) was signed by former President Gloria Macapagal-Arroyo on March 22, 2004. This Act shall apply to water quality management in all water bodies: Provided, that it shall primarily apply to the abatement and control of pollution from land-based sources: Provided, further, that the water quality standards and regulations and the civil liability and penal provisions under this Act shall be enforced irrespective of sources of pollution.

The Philippine Clean Water Act of 2004 and its implementing rules and regulations provides for the requirement to secure a wastewater discharge permit, which authorizes the discharge of liquid waste and/or pollutants of specified concentration and volume from plants and facilities into any water or land resource for a specified period of time. The Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR) is responsible for issuing discharge permits and monitoring and inspection of the facilities of the grantee of the permit.

#### **Philippine Clean Air Act of 1999**

Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999, is a comprehensive air quality management policy and program which aims to achieve and maintain healthy air for all Filipinos to

protect and advance the right of people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.

The Philippine Clean Air Act of 1999 and its implementing rules and regulations provides that before any business may be allowed to operate facilities and equipment, which emit regulated air pollutants, the establishment must first obtain a Permit to Operate Air Pollution Source and Control Installations. The EMB is responsible for issuing permits to operate air pollution source and control installations as well as monitoring and inspection of the facilities of the grantee of the permit.

### **Solid Waste Management Act of 2000**

Republic Act No. 9003, otherwise known as the “Philippine Ecological Solid Waste Management Act of 2000,” and by virtue of Executive Order No.192, Series of 1987, with the Department of Environment and Natural Resources (DENR) Administrative Order 2001-34 as its implementing rules and regulations, sets the guidelines for solid waste reduction through sound reduction and waste minimization, including composting, recycling, re-use, recovery before collection, treatment and disposal in appropriate and environmentally sound solid waste management facilities in accordance with ecologically sustainable principles.

### **Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990**

Republic Act No. 6969 this Act shall be known as “Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990” its implementing rules and regulations, as well as DENR Administrative Orders 2013-25 and 2013-22, aim to regulate the management of ozone-depleting chemical substances and hazardous wastes generated by various establishments.

A periodic review of the Company’s operating margins is being undertaken to ensure that the Company will not suffer any significant financial burden as a result of the foregoing laws and regulations.

### **Costs and Effects of Compliance with Environmental Laws**

The Department of Environment and Natural Resources (DENR) and the Environmental Management Bureau (EMB) are the regulating bodies for waste management. Reports on the Hospital’s compliance with waste disposal are being submitted quarterly since the treatment and disposal of the Hospital’s waste is still the responsibility of the Hospital.

The Company incurred around **Php 2,138,620.90** in expenses for environmental compliance for the year 2025. On an annual basis, operating expenses incurred by the Company to comply with environment laws are not significant or material relative to the Company and its total cost and revenues.

### **MAJOR RISKS**

The following are the identified risks in the operation of the hospital of the Company:

#### **1. OPERATIONAL RISKS**

The business of healthcare is the delivery of care that is safe, timely, effective, efficient, and patient centered within diverse populations. Operational risks relate to those risks resulting from inadequate or failed internal processes, people, or systems that affect business operations. Included are risks related to adverse event management, credentialing and staffing, documentation, chain of command, and deviation from practice.

To address this risk, the Company engaged consultants that could assist it to establish an internal process that would ensure efficient delivery of services.

#### **2. CLINICAL PATIENT SAFETY**

Risks associated with the delivery of care to residents, patients, and other healthcare customers. Clinical risks include failure to follow evidence-based practice, medication errors, hospital acquired conditions (HAC), serious safety events (SSE), occurrence of incidents and sentinel events and others. Anything relayed

and/or observed occurring out of the ordinary expectations of the patients/clients is considered an “incident” while “sentinel events” are unexpected occurrences involving death or serious physical or psychological injury or the risk thereof.

To address this risk, the Company is aiming to follow the standards set by the Joint Commission International for patient safety and eventually apply for accreditation. A Policy on Incident Reporting and Sentinel Event Reporting has been formulated by APMCI to ensure appropriate and timely reporting of these occurrences. The Policy will state the action plan and the responsibilities of all concerned personnel, and the activities involved in incident and sentinel event reporting. The Policy outlines the manner of reporting, the timeliness of reporting and the specific persons to whom the report should be made.

### 3. **STRATEGIC RISKS**

Risks associated with the focus and direction of the organization. Because the rapid pace of change can create unpredictability, risks included within the strategic domain are associated with brand, reputation, competition, failure to adapt to changing times, health reform or customer priorities. Managed care relationships/partnerships, conflict of interest, marketing and sales, media relations, mergers, acquisitions, divestitures, joint ventures, affiliations and other business arrangements, contract administration, and advertising are other areas generally considered as potential strategic risks.

To address this risk, a Risk Manager shall be appointed by the Board of Directors as soon as practicable to ensure the formulation of policies within the Enterprise Management Framework.

### 4. **FINANCIAL RISK**

Decisions that affect the financial sustainability of the organization, access to capital or the timing and recognition of revenue and expenses make up this domain. Risks include costs associated with malpractice, litigation, insurance, capital structure, credit and interest rate fluctuations, foreign exchange, growth in programs and facilities, capital equipment, corporate compliance (fraud and abuse), accounts receivable, days of cash on hand, capitation contracts, billing, and collection.

The Hospital manages financial risks by adopting proactive strategies like enhancing financial monitoring with real-time analytics, diversifying revenue streams, strengthening revenue cycle management, controlling operating costs, maintaining cash reserves and liquidity, managing debt carefully and aligning clinical and financial strategy.

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 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: (1) Actual or expected external and internal credit rating downgrade; (2) Existing or forecasted adverse changes in business, financial or economic conditions; and (3) Actual or expected significant adverse changes in the operating results of the borrower. The Company also considers financial assets that are more than thirty (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.

### ***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, 14 and 15).

Cash in banks is 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.

## **5. HUMAN CAPITAL**

This is an important issue in today's tight labor and economic markets, especially with the current brain-drain of health workers. Also included are risks associated with employee selection, retention, turnover, staffing, absenteeism, on-the-job work-related injuries (workers' compensation), work schedules and fatigue, productivity, and compensation. Human capital associated risks may cover recruitment, retention, and termination of members of the medical and allied health staff.

APMCI plans to provide Non-Monetary Stock Benefit to its employees to attract health workers to employ in the hospital.

## **6. LEGAL/REGULATORY**

Risk within this domain incorporates the failure to identify, manage and monitor legal, regulatory, and

statutory mandates APMCI is coming up with a strong Compliance system.

## 7. TECHNOLOGY

This domain covers machines, hardware equipment, devices, and tools, but can also include techniques, systems, and methods of organization. Healthcare has seen an explosion in the use of technology for clinical diagnosis and treatment, training and education, information storage and retrieval, and asset preservation. Examples also include Hospital Information System, social networking, and cyber liability.

APMCI engaged an Indentor, Endure Medical, Inc. to secure the most advanced machines, hardware and equipment for the hospital. TIPP Plus is currently in the process of installing and integrating the Company's Hospital Information System.

### Item 2. Properties

Asia Pacific Medical Center – Iloilo is a 9-storey, 206-bed capacity hospital with a helipad and one (1) basement parking level. The total floor area is around 28,550.50 sq. m. constructed at a 6,000 sq.m. property located at Barangay Ungka, Jaro, Iloilo City. It will also serve as a Referral Center for hospitals bearing the name Asia Pacific Medical Center and other institutions previously mentioned with which APMC - Iloilo Inc. has entered a Memorandum of Agreement.

The property is covered by Transfer Certificate of Title Nos. 095-2015000546 and 095-2015000547 and Tax Declaration Nos. 15-03-042-00552 and 15-03-042-00553 registered in the name of Allied Care Experts (ACE) Medical Center - Iloilo Inc. and used as collateral for a Real Estate Mortgage with the Land Bank of the Philippines.

As of December 31, 2025, the land described above has a revalued carrying amount of **Two Hundred Seventy-Three Million Pesos (Php 273,000,000.00)**. Aside from the land, the other properties acquired and owned by the company are as follows:

Since 2015 until 31 December 2025, the corporation has acquired office equipment composed of desktop and laptop computers, printers, photocopying machines, steel cabinets and office furniture amounting to **Six Million Eight Hundred Forty Thousand Six Hundred Eighty Pesos (Php 6,840,683.00)**, net of depreciation.

As of 31 December 2025, APMCI has acquired a total of **Three Hundred Seventy Eight Million Eight Hundred Ninety One Thousand Seven Hundred Twelve Pesos (Php 378,891,712.00)** worth of medical equipment. These are operating room lights and tables, C-arm X-ray machine, Digital R/F machine, Digital Panoramic Dental Unit, and meal distribution trolleys, all of which are already delivered to the site and will be installed and used once specific areas in the hospital are ready.

The majority of the company's equipment is now stored in the hospital site. Total cost of hospital equipment already on the site amounts to **One Hundred Fifteen Million Two Hundred Thirteen Thousand Two Hundred Twenty Eight Pesos (Php 115,213,228.00)**.

For the purchase of the remaining equipment, APMC - Iloilo Inc. has engaged the services of Endure Medical, Inc. to help in its importation.

As at December 31, 2025, the following equipment have been purchased:

1. Infant Warmer HKN-93C David Medical
2. Ultrasound w/ Electrotherapy BTL-4820S premium

3. Manual Rotary Microtome AMOS AMR 400
4. Ventilator T7 machine AMOUL
5. Defibrillator Monitor AMOUL i6
6. Ultrasound w/ Electrotherapy BTL-4820S premium SN:058P0B033298 with 1 unit Trolley BTL 4000
7. Wondfo Ucare-6000 Automatic Blood Gas Analyzer SN# U60002506200056
8. STA Compact MAX 3 Coagulation Analyzer SN# 009592
9. Cardiac Monitor EDAN SN# 263255-M25815880002, 263255-M25815880003
10. NEURO INSTRUMENTS CRANIOTOMY BRAND: INVIDIA

Funds for the purchase of these equipment were taken from the loan granted by the Land Bank of the Philippines (which amounts to Php 120,000,000.00) and from the sale of securities. For the acquisition of some machines, APMC–Iloilo may also opt for a "tie-up" contract with suppliers, if viable.

In 2024, construction of the building was completed, and total cost incurred was reclassified as a building asset. The building is depreciated over its useful life of fifty (50) years. As of December 31, 2025, the building net depreciation amounted to **Php 1, 762, 864, 069.**

## **LEGAL PROCEEDINGS OF COMPANY, ITS SUBSIDIARIES AND/OR AFFILIATES**

### **Item 3. Legal Proceedings**

#### **Complaint filed before the Insurance Commission (IC) for engaging in Pre-need activities without license**

- A. Petition for Certiorari under Rule 65 against the Office of the Insurance Commissioner, Allied Care Experts Medical Center-Valenzuela, Allied Care Experts Medical Center- Pateros, Allied Care Experts Medical Center-Baypointe, Allied Care Experts Medical Center – Quezon City, Allied Care Experts Medical Center-Baliwag and Asia Pacific Medical Center-Iloilo ( Formerly: Allied Care Experts Medical Center- Iloilo)

Many years after APMC Iloilo received the resolution of the Insurance Commission on the request for investigation of Ferdinand Kionisala declaring that the benefits and privileges enjoyed by him or offered by any of the named respondents he impleaded on his complaint is not a pre-need contract, agreement, deed, nor plan contemplated under the law and that ACEMC – Cebu or any other respondent named ( which include ACEMC-Iloilo) are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission , Kionisala filed a Motion for Reconsideration dated 25 November 2020. After the denial of the Motion for Reconsideration in a letter dated 29 November 2021 where the IC declared that the Complainant's Motion for Reconsideration is bereft of any novel compelling arguments or new pieces of evidence to consider in order to depart from its previous ruling, Ferdinand Kionisala filed a special civil action for Certiorari under Rule 65 before the Court of Appeals against the above-named respondents alleging that the Insurance Commission acted with grave abuse of discretion amounting to lack or excess of jurisdiction when it found that the contracts sold or offered for sale to the public are not pre-need contracts or are not processing pre-need plans and when it ignored the evident fact that the benefit and privileges are the cause or consideration of the contracts between private respondents and the members of the general public. In his petition dated 04 February 2022, Mr. Kionisala prayed that the Court of Appeals set aside the letter dated 11 December 2018 and letter dated 29 November 2021 and that the Insurance Commission be ordered to take appropriate action(s) against the private respondents for violating the Pre-Need Code of the Philippines.

In a resolution dated 26 July 2022, the Eighteenth (18th) Division of the Court of Appeals directed the petitioners to rectify the infirmity observed in the petition, within an inextendible period of ten (10) days from notice which is the submission of a mere plain photostatic copy of the assailed letter dated 11 December 2018. Petitioner submitted its compliance on 22 September 2022 copy of which was received by APMC Iloilo on 19 October 2022.

On 01 September 2025, APMC Iloilo received a Resolution dated 05 March 2025, directing the parties to file their respective Comments on the petitioner’s Petition for Certiorari within an inextendible period of ten (10) days from notice. APMC Iloilo subsequently filed its Comment on 11 September 2025.

As of 31 December 2025, to the knowledge and information of the Company, there are no other pending material legal proceedings that involve APMCI or any of its properties aside from the aforementioned case.

**Item 4. Submission of Matters to a Vote of Security Holders**

There were no matters submitted to the vote of security holders during the fourth quarter of the fiscal year covered by this report. The annual meeting of the Stockholders of the Company was held on 18 June 2025 via remote communication. The results of the Annual meeting were duly submitted to the SEC in the corresponding General Information Sheet and SEC Form 17-C dated 15 July 2025 and 23 June 2025, respectively.

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**PART II – OPERATIONAL AND FINANCIAL INFORMATION**

**Item 5. Market Price on of and Dividends in Registrant's Common Equity and Related Stockholder Matters**

**A. Market Information**

The Company markets and offers the securities over the counter through organic employees who are well versed with Hospital operations. Management believes that the strategic location of the Hospital, the facilities, and the services it will provide, and the people behind the Hospital, are sufficient to entice medical specialists and prospective investors to consider the offer. The Company greatly relies on these organic employees and satisfied patients to spread the word about the facilities the Hospital can offer. There is no public trading market for the Company's shares.

Asia Pacific Medical Center – Iloilo Inc. is offering 3,600 blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts.

The staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: the timing of purchase relative to the completion of the Hospital and its facilities the number of applicants the Hospital could serve and accommodate, the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, comparable price of similarly situated structure with similar facilities, market demand, risk undertaken by the original stockholders, the exclusive and premium nature of the Hospital and its intended patients and the acceptability of the pricing strategy to the current market.

The breakdown of the Offer Price is presented as follows:

<b>Number of Blocks of Common Shares</b>	<b>Maximum Proposed Selling Price per block</b>	
<b>Series 1<sup>st</sup></b>	<b>2,600 blocks</b>	<b>P250,000 per block</b>
<b>2nd</b>	<b>500 blocks</b>	<b>P300,000 per block</b>
<b>3rd</b>	<b>500 blocks</b>	<b>P400,000 per block</b>

The first Two Thousand Six Hundred (2,600) blocks had been sold at a maximum price of Two Hundred Fifty Thousand Pesos (Php 250,000.00) per block by the third quarter of October 2019 and another One

Hundred Ten (110) blocks at a maximum price of Three Hundred Thousand Pesos (Php300,000.00) per block were subscribed by December 31, 2019. The remaining Three Hundred Ninety (390) blocks at a maximum price of Three Hundred Thousand Pesos (Php300,000.00) per block were sold in the year 2020. Three (3) blocks at a maximum price of Four Hundred Thousand Pesos (Php400,000.00) per block of the third series shares were also sold by December 2020. An additional three (3) blocks from the same series were sold in the year 2021. In 2022, another sixty-five (65) blocks of shares were sold at a maximum price of Four Hundred Thousand Pesos (Php 400,000.00) per block. For the year 2023, four hundred twenty five (425) blocks of shares were sold from the 3<sup>rd</sup> series. The 3<sup>rd</sup> series were never offered until the 2<sup>nd</sup> series had been sold out in the same manner that the 2<sup>nd</sup> series were never offered to the public until the shares from the 1<sup>st</sup> series had also been sold out. The offered shares are not listed on the Exchange and are issued over the counter only, through the Company's employees acting as salespersons as reflected in its Registration Statement. The percentage of public ownership of the Company as of **December 31, 2025, is 15%.**

The three thousand six hundred (3,600) blocks that were offered to the public are sold primarily to Medical Specialists who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentialing and Privileging Committee and approved by the Board and Management of APMC-Iloilo Inc. Other purchasers are non-medical specialists who are related to medical specialists and those who purchased the shares purely for investment purposes.

## B. Holders

There are approximately thirty four (34) holders of founder shares and approximately three thousand forty eight (3,048) holders of common shares of the company as of 31 December 2025.

The Top 20 Stockholders as of 31 December 2025 are as follows:

STOCKHOLDERS	NATIONALITY	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
1. BIRON, FERJENEL G.	FILIPINO	COMMON FOUNDER 48,166 240	20.17%
2. BIRON, BRANDT LUKE Q.	FILIPINO	COMMON FOUNDER 43,030 20	17.94%
3. OCA-BIRON, MARIA REGINA ISABELLE D.	FILIPINO	COMMON FOUNDER 21,200 10	8.84%
4. SAMORO, FREDILYN G.	FILIPINO	COMMON FOUNDER 6,748 20	2.82%
5. RAMIREZ, RUBEN B.	FILIPINO	COMMON FOUNDER 5,930 20	2.48%
6. VILLAFLOR, AGNES JEAN M.	FILIPINO	COMMON FOUNDER 3,758 10	1.57%
7. LAVALLE, AMADO JR. M.	FILIPINO	COMMON FOUNDER 3,658 10	1.53%
8. LAVILLA, MERIDE D.	FILIPINO	COMMON FOUNDER 3,628 10	1.52%
9. REGOZO, DANILO C.	FILIPINO	COMMON FOUNDER 3,658 10	1.53%
10. COMUELO, JERUSHA A.	FILIPINO	COMMON FOUNDER 3,452 10	1.44%
11. HEIRS OF SAMORO, RONNIE Z. ( FREDILYN SAMORO, KIM	FILIPINO	COMMON FOUNDER 3,452 10	1.44%

KAROLYN SAMORO, KARMELA MARIE SAMORO, KATRINA BELLE MARIE SAMORO )				
12. ONG, MARY FLOR G.	FILIPINO	COMMON FOUNDER	3,452 10	1.44%
13. PEREZ, MA. GRACE G.	FILIPINO	COMMON FOUNDER	3,432 10	1.43%
14. DOMINGO, CARMELO JR.	FILIPINO	COMMON FOUNDER	3,390 10	1.42%
15. GONZALES, NOEL G.	FILIPINO	COMMON FOUNDER	3,400 10	1.42%
16. MINERVA, IKE T.	FILIPINO	COMMON FOUNDER	3,390 10	1.42%
17. DIANCO, FELIBERT O.	FILIPINO	COMMON FOUNDER	3,360 10	1.40%
18. DAULO, SYLVIA L.	FILIPINO	COMMON FOUNDER	3,050 10	1.27%
19. GOMEZ, LUSYL M.	FILIPINO	COMMON FOUNDER	2,771 10	1.16%
20. LAVILLA, FRANCIS G.	FILIPINO	COMMON FOUNDER	2,430 10	1.02%

#### A. DIVIDENDS

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stocks. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the Company and other factors.

Cash dividends are subject to approval by the Company's Board of Directors, but no stockholder approval is required. Property dividends which may come in the form of additional shares of stocks are subject to approval by both the Company's Board of Directors and the Company's stockholders. The SEC must also approve the payment of stock dividends.

#### B. Recent Sale of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There are no shares issued by the Company within the past three (3) years, which were not registered with the SEC pursuant to the Securities Regulation Code.

### Item 6. Management's Discussion and Analysis or Plan of Operations

#### 1. PLAN OF OPERATION

Asia Pacific Medical Center–Iloilo, Inc. ("APMC Iloilo" or the "Hospital") incurred net losses during the last two (2) fiscal years. Management attributes such losses primarily to the Hospital's early-stage operating profile following inauguration, the fixed costs inherent in hospital operations, the gradual build-up of patient volumes, and the continuing expenditures necessary to support personnel, equipment, utilities, and other operational requirements.

Management notes that, based on industry experience and as observed by the Hospital's independent auditor, healthcare institutions of similar scale typically require approximately four (4) to five (5) years from inauguration to recover initial capital expenditures and attain more stable operating levels. In this regard, management believes that the Hospital's financial performance to date remains generally consistent with the expected development period of a newly established hospital facility.

During the current year, the Hospital recorded a 47% increase in gross revenues compared to the previous year. Management believes that this growth is aligned with internal projections and reflects continued improvement in patient volumes, service utilization, physician referrals, and market awareness within the City and Province of Iloilo. Although the Hospital has not yet attained profitability, management considers the current revenue growth trend to be a positive indicator of its ongoing operational development.

For the next twelve (12) months, the Hospital's plan of operation shall focus on: (i) increasing patient volumes and revenues, (ii) improving operating efficiency and expense management, (iii) strengthening liquidity and collections, and (iv) supporting operations and future growth through additional capitalization.

Management's principal operating objectives are to:

1. Increase patient volumes in major service lines, including inpatient, outpatient, emergency, surgery, women's health, pediatrics, diagnostics, laboratory, imaging, and ancillary services;
2. Improve utilization of existing facilities, equipment, and manpower;
3. strengthen referral relationships with physicians, clinics, and healthcare providers in Iloilo and nearby areas;
4. Improve billing, claims processing, and collection efforts, particularly for government healthcare programs, HMOs, corporate accounts, and self-pay patients;
5. Implement cost management measures, including tighter control over operating expenses, inventory, manpower, and non-essential expenditures; and
6. Preserve liquidity through internally generated cash flows, working capital management, and, when necessary, capital-raising or financing initiatives.

As part of its capital strengthening measures, management intends to recommend an increase in the Hospital's authorized capital stock, subject to approval by the Board of Directors and stockholders. The Hospital also plans to pursue a second round of public offering of its shares, subject to compliance with the requirements of the Securities and Exchange Commission and other applicable regulatory approvals.

Management believes that, if successfully implemented, these capital measures will provide additional resources to support operations, strengthen the Hospital's balance sheet, and fund priority investments. However, there can be no assurance that such capital-raising initiatives will be completed within the expected timeframe.

The Hospital likewise intends to continue prioritizing the development of its core revenue-generating departments while exercising prudent control over operating costs and limiting capital expenditures to those necessary for patient care, operational continuity, compliance, and selected service improvements. Currently, the Company employs approximately seven hundred fifty six (756) individuals. The decision to hire additional employees will be contingent upon the outcome of the upcoming hospital census.

Management recognizes that the execution of its plan of operation remains subject to various risks and uncertainties, including competitive conditions, cost inflation, staffing constraints, reimbursement and collection delays, regulatory developments, and broader economic conditions. While there can be no assurance that the Hospital will achieve profitability within the next twelve (12) months, management believes that its current revenue growth trend and planned capital measures provide a reasonable basis for the continuation of operations and the gradual improvement of financial performance.

The Company intends to purchase the following equipment to attract more patients:

1. Pet scan
2. Cath lab Machine
3. Mechanical Ventilators (High-End With Advanced Modes) -Avea (3IN1 Ventilator)
4. Cyber Ho Magneto System 152W Holmium: YAG Surgical Laser System
5. Hospital Waste Management Plant
6. Sonomammography
7. M822 Leica Microscope
8. Portable Ultrasound(Ge)
9. Mammo(Ui)2D

10. KW ON-Grid Rooftop Solar
11. Alcon Centurion Phacoemulsification Machine
12. 2D Echo Vivid T9 (GE)
13. Ultrasound LOGIQ P8 (GE)
14. Cardiac Rehab System
15. Polysomnography Machine (Sleep Machine)
16. NCV/EMG
17. EEG
18. Infusion Pump
19. Super Inductive System BTL-6000
20. Syringe Pump
21. Sewage Treatment Plant
22. Bone Densitometry
23. Treadmill (GE)
24. Biosafety Cabinet Class III
25. Calibration Tools
26. ECG Machine (GE)
27. Detecto Weighing Scale
28. Ortho Table
29. Fracture Bed

These are expected to enhance service capacity and support the Hospital's operational and revenue growth objectives, subject to funding availability.

#### **(1) Management's Discussion and Analysis**

**Below are the financial highlights of the Company's operation for the years ended December 31, 2025, 2024, and 2023 and financial position as at December 31, 2025, 2024, and 2023.**

APMC Iloilo continued to operate in a developmental stage during the current year. The Hospital incurred net losses during the current year and the preceding fiscal year, primarily due to the fixed-cost structure of hospital operations, the continuing build-up of patient volumes, and the costs necessary to maintain adequate staffing, facilities, equipment, and compliance requirements.

Gross revenues increased by 47% during the current year compared to the previous year. Management believes that this increase was driven by improved patient volumes, higher utilization of hospital services, stronger physician referrals, and growing awareness of the Hospital within its service area. Despite such increase, the Hospital continued to incur losses as revenues have not yet fully absorbed fixed and operating costs.

Management notes that, based on industry experience and as observed by the Hospital's independent auditor, hospitals of similar scale generally require approximately four (4) to five (5) years from inauguration to recover initial capital expenditures and achieve more stable operating performance. In this context, management believes that the Hospital's current results remain within the expected operating cycle of a relatively new healthcare facility.

#### **Results of operation for the three Years Ended December 31, 2025, 2024, and 2023**

<b>Account</b>	<b>31-Dec</b>	<b>31-Dec 2024</b>	<b>31-Dec-23</b>
Revenue	P452,165,666	P307, 910, 026	5,995,365
Cost of hospital services	259,501,745	268,767,300	6,127,455
Gross profit/(loss)	192,663,921	32, 142, 726	(132,090)
Other income	10,314,981	1,182,734	71,075

Gross income/(loss)	202,978,902	40,325,460	(61,015)
General and admin expenses	(302,289,389)	(282, 385, 327)	110,301,610
Loss from operations	(99,310,487)	(242, 059, 867)	(110,362,625)
Finance cost	(136,010,583)	(155,699,208)	36,970,036
Net Loss Before Income Tax	(235,321,070)	(397,759,075)	(147,332,661)
Income Tax Expense		-	171
Net Loss	(235,321,070)	(397,759,075)	(147,332,832)
Other Comprehensive Income for the Year	183,531,277	-	
<b>Total Comprehensive Loss for the Year</b>	<b>(P51,789,793)</b>	<b>(P397,759,075)</b>	<b>(P147,332,832)</b>

**For Comparable Periods December 31, 2025 and 2024**  
**(Revenue, Direct, Cost and Gross Loss)**

Account	For the years ended December 31		Horizontal Analysis		Vertical Analysis		
	2025	2024	Inc./(Dec.)	%	2025	2024	
<b>Revenue</b>	P452,165,666	P307,910,026	P144,255,640	46.85%	100.00%	100.00%	
<b>Direct Cost</b>	259,501,745	268,767,300	9,265,555	(3.45%)	57.39%	87.29%	[A]
<b>Gross Loss</b>	192,663,921	39,142,726	153,521,195	392.21%	42.61%	12.71%	
<b>Other Income</b>	10,314,981	1,182,734	9,132,247	772.13%	2.28%	0.38%	[B]
<b>Gross Income/(Loss)</b>	202,978,902	40,325,460	162,653,442	403.35%	44.89%	13.10%	
<b>General and Admin Expenses</b>	(302,289,389)	(282,385,327)	(19,904,062)	7.05%	66.85%	91.71%	[C]
<b>Loss From Operations</b>	(110,362,625)	(242,059,867)	142,749,380	(58.97%)	21.96%	78.61%	
<b>Finance Cost</b>	(36,970,036)	(155,699,208)	19,688,625	(12.65%)	30.08%	50.57%	[D]
<b>Net Loss</b>	(235,321,070)	(397,759,075)	(162,438,005)	40.84%	52.04%	129.18%	[E]
<b>Other Comprehensive Income</b>	183,531,277	-	183,531,277	100.00%	40.59%	-	
<b>Total Comprehensive Loss</b>	(P51,789,793)	(P397,759,075)	(P345,969,282)	(86.98%)	-11.45%	-129.18%	

**Revenue and direct costs have substantially increased since the company commenced its inaugural full year of hospital operations.**

**Revenue**

As at December 31, 2025, Hospital generated a revenue, net of discounts and allowances, of Php452.17 million, representing a 46.85% increase from the preceding year's Php307.91 million. This positive trend underscores the hospital's unwavering commitment to fostering patient relationships and enhancing its product and service offerings. Hospital revenue encompasses both inpatient and outpatient services for the following:

- Pharmacy: Php152.29 million (29.29% of Gross Revenue)
- Room accommodation: Php 98.01 million (18.85% of Gross Revenue)
- Laboratory Services: Php 83.29 million (16.02% of Gross Revenue)
- Central supply room: Php 49.70 million (9.56% of Gross Revenue)
- Imaging: Php 46.51 million (8.95% of Gross Revenue)
- Pulmonary: Php 20.25 million (3.9% of Gross Revenue)
- Cardio/Neuro Services: Php16.15 million (3.11% of Gross Revenue)
- Other specialized healthcare services: Php 53.73 million (10.33% of Gross Revenue)

**Direct Costs**

Direct costs decreased by Php 9.27 million (3.45%) can be attributed to the hospital's efforts to renegotiate contracts with existing suppliers, identify cost-effective suppliers, utilize bulk purchasing discounts, and optimize procurement strategies. These actions resulted in a reduction in the cost of medicines and medical supplies during the year. For the year ending December 31, 2025, direct costs amounted to P259.50 million, which comprised of direct hospital supplies amounted to P136.03 million and direct overheads amounted to P123.47 million.

[A] Revenue and Direct Cost

[B] Other Income

**Other income** is mostly derived from interest income earned from bank; unrealized foreign exchange gain and other miscellaneous income amounted to Php1,002; Php3,505 and Php10,310,474 as at December 31, 2025, respectively.

This account consists of:

	For the Years Ended December 31			Horizontal Analysis	
	2025	2024	Inc./(Dec.)	%	
Salaries and Wages	P111,313,162	P87,491,420	23,821,742	27.23%	[C1]
Utilities Expenses	54,800,309	51,738,090	3,062,219	5.92%	[C2]
Depreciation	48,391,711	48,382,415	9,296	0.02%	
Professional Fees	25,287,779	33,272,069	(7,984,290)	(24.00%)	
SSS, PHIC and HDMF Contributions	13,743,882	14,586,982	(843,100)	(5.78%)	
Security Services	12,334,776	8,684,813	3,649,963	42.03%	
Housekeeping Expenses	9,322,573	8,415,291	(681,215)	10.78%	
Office Supplies	7,827,951	8,509,166	(681,215)	(8.01%)	
Taxes and Licenses	5,802,631	6,926,145	(1,123,514)	(16.22%)	
Repairs and Maintenance Expenses	4,239,547	901,410	3,338,137	370.32%	[C3]
Insurance Expenses	2,465,225	2,305,495	159,730	6.93%	
Communication Expenses	1,110,669	811,393	299,276	36.88%	
Transportation and Travel Expenses	1,002,276	1,190,229	(187,953)	(15.79%)	
Board Meetings and Conferences	341,050	4,862,485	(4,521,435)	(92.99%)	
Entertainment and Representation Expenses	313,229	292,075	21,154	7.24%	
Training, Workshop, Seminar	255,299	954,891	(699,592)	(73.26%)	
Advertising Expenses	104,984	749,906	(644,264)	(57.14%)	
Rental Expenses	18,947	44,211	(25,264)	(57.14%)	
Miscellaneous Expenses	3,613,389	2,266,841	1,346,548	59.40%	
<b>TOTAL</b>	<b>P302,289,389</b>	<b>P282,385,327</b>	<b>P19,904,062</b>	<b>6.58%</b>	

[C] General and Admin Expenses

**[C.1] Salaries and Wages.** During the year, there was a slight increase in general and administrative expenses amounting to Php19.90 million, or 6.58%. This overall increase reflects significant company-related expenses associated with core business operations, including the salary standardization modifications implemented in the second quarter. However, employee turnover experienced a notable rise towards the end of the period, particularly around October 2025. This increase in turnover effectively mitigated the impact of the salary hike. As of December 31, 2025, salaries and wages amounted to Php 111.31 million. Furthermore, management successfully managed the effects of inflation by implementing cost-cutting measures throughout the period.

**[C.2] Utilities Expense.** Utilities expense, consisting of electricity, water, fuel, and related services, increased in 2025. Electricity represents the largest component, with higher usage observed in May, July, and August in line with increased hospital census. During the year, the electricity charges incurred amounted to Php52.47 million.

**[C.3] Repairs and Maintenance Expenses.** Repairs and maintenance expenses increased due to higher service requirements across hospital equipment and facilities. A significant repair transaction occurred in June 2025 relating to hospital equipment amounted to Php2.22 million, which is the preventive maintenance fee of the Mobile Digital X-ray equipment of the Imaging Department. The increase is operational, with certain transactions considered non-recurring.

[D] Finance Cost

This account provides an overview of interest expenses incurred by the hospital from bank and related party loans. For the year ended December 31, 2025, interest incurred from bank loans and related party loans amounted to P72.42 million and P63.32 million, respectively. This decline in interest expenses is attributed to LBP's interest rate adjustment. The hospital remains committed to timely payment of its interest and principal obligations to LBP throughout the specified period.

[E] Other Comprehensive Income

This account pertains to Revaluation Surplus, net of Deferred Tax Liability recognized as at December 31, 2025.

The company's land was appraised in 2026 by Cubing Surveying, an SEC-accredited professional valuer. Independent appraisers performed the valuation of its parcels of land, resulting in a report of March 2026 covering December 31, 2025. The Company's revaluation surplus, net of deferred tax liability, was ₱183,531,277 as of December 31, 2025.

Deferred tax liability is measured at the tax rate applied when the liability is recognized, based on the tax regulation rate enacted by the end of the reporting period. It is computed as the product of the 25% tax regulation rate and the total revaluation surplus of ₱244,708,370. As of December 31, 2025, the deferred tax liability from land revaluation amounted to ₱61,177,093.

**For Comparable Periods December 31, 2024 and 2023  
(Revenue, Direct, Cost, and Gross Loss)**

Account	For the years ended December 31		Horizontal Analysis		Vertical Analysis		
	2024	2023	Inc./ (Dec.)	%	2024	2023	
Revenue	P307,910,026	P5,995,365	P301,914,661	5035.80%	100.00%	100.00%	[A]
Direct Cost	268,767,300	6,127,455	(262,639,845)	4286.28%	(87.29%)	102.20%	
Gross Loss	39,142,726	(132,090)	39,274,816	(29733.38%)	12.71%	2.20%	
Other Income	1,182,734	71,075	1,111,659	1564.06%	0.38%	1.19%	[B]
Gross Income/(Loss)	40,325,460	(61,015)	40,386,475	(66191.06%)	13.10%	1.02%	
General and Admin Expenses	(282,385,327)	(110,301,610)	(172,083,717)	156.01%	(91.71%)	1839.78%	[C]
Loss From Operations	(242,059,867)	(110,362,625)	(131,697,242)	119.33%	(78.61%)	1840.80%	
Finance Cost	(155,699,208)	(36,970,036)	(118,729,172)	321.15%	(50.57%)	616.64%	[D]
Net Loss Before Income Tax	(397,759,075)	(147,332,661)	(250,426,414)	169.97%	(129.18%)	2457.44%	
Income Tax Expense	-	(171)	171	(100.00%)	0.00%	0.00%	
Net Loss for the Year	(P397,759,075)	(P147,332,832)	(P250,426,243)	169.97%	(129.18%)	2457.45%	

<b>[A]</b>	<b>Revenue and Direct Cost</b>	<p><b>Revenue and direct costs have substantially increased since the company commenced its inaugural full year of hospital operations.</b></p> <p><b>Revenue</b> During the initial year of operation, revenue generation primarily originated from initial patient connections, extensive marketing initiatives, and potential product/service refinement, all of which contributed to a favorable sales trajectory. Notably, the hospital reached its peak during the third quarter in response to the dengue outbreaks. For the calendar year ending December 31, 2024, revenue amounted to P307.90 million, encompassing a diverse range of inpatient and outpatient hospital services, including pharmacy - P87.97 million (29%), room accommodations - P 79.70 million (26%), pathology - P42.38 million (14%), central supply room - P25.49 million (8%), imaging - P21.11 (7%), pulmonary - P12.72 million (4%), emergency department - P10.04 million (3%), cardio/neurological - P5.41 million (2%), and other specialized healthcare services - P23.08 million (7%).</p> <p><b>Direct Costs</b> Direct costs are expenses directly attributable to patient care. During a hospital's first year, an increase in direct costs can be attributed to various factors, such as startup costs, heightened patient volume, and the necessity for specialized equipment and personnel due to the surge in admissions, both inpatient and outpatient, throughout the year. For the year ended December 31, 2024, direct cost amounted to P268.77 million, which comprised of direct hospital supplies amounted to P101.73 million and direct overheads amounted to P167.04 million.</p>																																																																																																																												
<b>[B]</b>	<b>Other Income</b>	This account consists of interest income earned from banks and other miscellaneous income amounted to P2,105 and P1.49 million for the year ended December 31, 2023, respectively.																																																																																																																												
<b>[C]</b>	<b>General and Admin Expenses</b>	<p>This account consists of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">For the Years Ended December 31</th> <th colspan="2">Horizontal Analysis</th> <th rowspan="2"></th> </tr> <tr> <th>2024</th> <th>2023</th> <th>Inc./ (Dec.)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Salaries and Wages</td> <td>P87,491,420</td> <td>P65,389,296</td> <td>P22,122,122</td> <td>33.84%</td> <td></td> </tr> <tr> <td>Utilities Expenses</td> <td>51,738,090</td> <td>8,323,809</td> <td>43,414,281</td> <td>521.57%</td> <td>[C.1]</td> </tr> <tr> <td>Depreciation</td> <td>48,382,414</td> <td>5,394,843</td> <td>42,987,571</td> <td>796.83%</td> <td>[C.2]</td> </tr> <tr> <td>Professional Fees</td> <td>33,272,069</td> <td>1,193,873</td> <td>32,078,196</td> <td>2686.90%</td> <td>[C.3]</td> </tr> <tr> <td>SSS, PHIC and HDMF Contributions</td> <td>14,586,982</td> <td>7,865,598</td> <td>6,721,384</td> <td>85.45%</td> <td></td> </tr> <tr> <td>Security Services</td> <td>8,684,813</td> <td>3,074,911</td> <td>5,609,902</td> <td>182.44%</td> <td></td> </tr> <tr> <td>Office Supplies</td> <td>8,509,166</td> <td>3,501,593</td> <td>5,007,573</td> <td>143.01%</td> <td></td> </tr> <tr> <td>Housekeeping Expense</td> <td>8,415,291</td> <td>460,633</td> <td>7,954,658</td> <td>1726.90%</td> <td></td> </tr> <tr> <td>Taxes and Licenses</td> <td>6,926,145</td> <td>7,417,040</td> <td>(490,895)</td> <td>(6.62%)</td> <td></td> </tr> <tr> <td>Board meetings and conferences</td> <td>4,862,485</td> <td>2,257,500</td> <td>2,604,985</td> <td>115.39%</td> <td></td> </tr> <tr> <td>Insurance Expenses</td> <td>2,305,495</td> <td>445,426</td> <td>1,860,069</td> <td>417.59%</td> <td></td> </tr> <tr> <td>Transportation and Travel Expenses</td> <td>1,190,229</td> <td>305,828</td> <td>884,401</td> <td>289.18%</td> <td></td> </tr> <tr> <td>Training, Workshop, Seminar</td> <td>954,891</td> <td>1,418,787</td> <td>(463,896)</td> <td>(32.70%)</td> <td></td> </tr> <tr> <td>Repairs and Maintenance Expenses</td> <td>901,409</td> <td>786,245</td> <td>115,164</td> <td>14.65%</td> <td></td> </tr> <tr> <td>Communication Expenses</td> <td>811,393</td> <td>511,602</td> <td>299,791</td> <td>58.60%</td> <td></td> </tr> <tr> <td>Advertising Expenses</td> <td>749,906</td> <td>605,967</td> <td>143,939</td> <td>23.75%</td> <td></td> </tr> <tr> <td>Membership and Subscription Expenses</td> <td>258,285</td> <td>182,385</td> <td>75,900</td> <td>41.62%</td> <td></td> </tr> <tr> <td>Rental Expense</td> <td>44,211</td> <td>3,500</td> <td>40,711</td> <td>1163.17%</td> <td></td> </tr> <tr> <td>Miscellaneous Expenses</td> <td>2,008,557</td> <td>1,173,160</td> <td>835,397</td> <td>71.21%</td> <td></td> </tr> </tbody> </table>		For the Years Ended December 31		Horizontal Analysis			2024	2023	Inc./ (Dec.)	%	Salaries and Wages	P87,491,420	P65,389,296	P22,122,122	33.84%		Utilities Expenses	51,738,090	8,323,809	43,414,281	521.57%	[C.1]	Depreciation	48,382,414	5,394,843	42,987,571	796.83%	[C.2]	Professional Fees	33,272,069	1,193,873	32,078,196	2686.90%	[C.3]	SSS, PHIC and HDMF Contributions	14,586,982	7,865,598	6,721,384	85.45%		Security Services	8,684,813	3,074,911	5,609,902	182.44%		Office Supplies	8,509,166	3,501,593	5,007,573	143.01%		Housekeeping Expense	8,415,291	460,633	7,954,658	1726.90%		Taxes and Licenses	6,926,145	7,417,040	(490,895)	(6.62%)		Board meetings and conferences	4,862,485	2,257,500	2,604,985	115.39%		Insurance Expenses	2,305,495	445,426	1,860,069	417.59%		Transportation and Travel Expenses	1,190,229	305,828	884,401	289.18%		Training, Workshop, Seminar	954,891	1,418,787	(463,896)	(32.70%)		Repairs and Maintenance Expenses	901,409	786,245	115,164	14.65%		Communication Expenses	811,393	511,602	299,791	58.60%		Advertising Expenses	749,906	605,967	143,939	23.75%		Membership and Subscription Expenses	258,285	182,385	75,900	41.62%		Rental Expense	44,211	3,500	40,711	1163.17%		Miscellaneous Expenses	2,008,557	1,173,160	835,397	71.21%	
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		<b>TOTAL</b>	<b>P282,385,327</b>	<b>P110,301,610</b>	<b>(P172,083,717)</b>	<b>(60.94%)</b>
		<p>The substantial surge in hospital general and administrative expenses can be attributed to a confluence of factors, including the initial investment required to establish the facility, the allocation of funds for infrastructure development, the implementation of marketing strategies to enhance brand visibility, and the recruitment of additional personnel to support the organization's growth during its first year of full operational capacity.</p> <p><b>[C.1] Utilities Expense.</b> The significant increase can be significantly attributed to electricity incurred amounting to P50.21 million and fuel consumption used in the hospital generator set amounting to P893.00 thousand due to experienced fluctuation in power supply during the year.</p> <p><b>[C.2] Depreciation.</b> In 2024, the construction project, which is now complete, has been reclassified to the building account. As of December 31, 2024, the building is recognized with an amount of P1,836,310,239.24, which will depreciate over its 50-year useful life. Depreciation expense significantly increased due to recognition of depreciation expense building for the year. During the year, the depreciation expenses recognized for building and other hospital office equipment amounted to P36.72 million and P11.65 million, respectively.</p> <p><b>[C.3] Professional Fee.</b> This account consists of various professional fees such as medical consultancy services P19.23 million, legal and other consultancy fee P3.11 million, and audit fee and other professional fees P10.93 million incurred during the year.</p>				
<b>[D]</b>	<b>Finance Cost</b>	<p>This account consists of interest expenses incurred on bank and related party loans. For the year ended December 31, 2024, interest incurred from bank loans and related party loans amounted to P98.80 million and P56.90 million, respectively.</p>				

**Financial Condition**  
**(For Comparable Periods December 31, 2025 and 2024)**

	Years Ended December 31		Horizontal Analysis		Vertical Analysis		
	2025	2024	Inc./(Dec.)	%	2025	2024	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	P23,296,041	P13,830,999	9,465,042	68.43%	0.86%	0.55%	<b>[1.11]</b>
Receivables	165,796,569	82,430,163	83,366,406	101.14%	6.11%	3.28%	<b>[1.11]</b>
Advances to contractors and suppliers	72,449,059	47,576,729	24,872,330	52.28%	2.67%	1.89%	<b>[1.11]</b>
Medical and hospital supplies inventories	59,994,528	75,662,389	(15,667,861)	(20.71%)	2.21%	3.01%	<b>[1.11]</b>
Prepayments and other current assets	28,714,938	16,812,711	11,902,227	70.79%	1.06%	0.67%	<b>[1.11]</b>
<b>TOTAL CURRENT ASSETS</b>	<b>350,251,135</b>	<b>236,312,991</b>	<b>113,938,144</b>	<b>48.21%</b>	<b>12.90%</b>	<b>9.40%</b>	<b>[1.11]</b>
<b>NON-CURRENT ASSETS</b>							
Property and Equipment (net)	2,357,222,256	2,238,660,948	118,561,308	5.30%	86.84%	89.05%	<b>[1.11]</b>
Advances to Related Party	6,950,256	39,030,125	(32,079,869)	(82.19%)	0.26%	1.55%	<b>[1.11]</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,364,172,512</b>	<b>2,277,691,073</b>	<b>86,481,439</b>	<b>3.80%</b>	<b>87.10%</b>	<b>90.60%</b>	<b>[1.11]</b>
<b>TOTAL ASSETS</b>	<b>2,714,423,647</b>	<b>2,514,004,064</b>	<b>200,419,583</b>	<b>7.97%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>[1]</b>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Accounts Payable and Other Liabilities	689,539,570	529,464,018	160,075,552	30.23%	25.40%	21.06%	<b>[11]</b>
Loans Payable to Individuals	15,703,226	15,703,226	-	0.00%	0.58%	0.62%	<b>[11]</b>
Notes Payable - Current Portion	191,558,072	15,000,000	176,558,072	1177.05%	7.06%	0.60%	<b>[11]</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>896,800,868</b>	<b>560,167,244</b>	<b>336,633,624</b>	<b>60.10%</b>	<b>33.04%</b>	<b>22.28%</b>	
<b>NON-CURRENT LIABILITIES</b>							
Loans Payable to Related Party	544,871,969	955,594,306	1,000,000	-15.47%	29.76%	38.01%	<b>[11]</b>
Notes Payable - net of Current Portion	807,792,965	543,871,969	(147,801,341)	0.18%	20.07%	21.64%	<b>[11]</b>
Deferred Tax Liabilities	61,177,093	-	61,177,093	100.00%	2.25%	0.00%	<b>[11]</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,413,842,027</b>	<b>1,499,466,275</b>	<b>(85,624,248)</b>	<b>-5.71%</b>	<b>52.08%</b>	<b>59.65%</b>	
<b>TOTAL LIABILITIES</b>	<b>2,310,642,895</b>	<b>2,059,633,519</b>	<b>251,009,376</b>	<b>12.19%</b>	<b>82.12%</b>	<b>81.93%</b>	<b>[11]</b>
<b>EQUITY</b>							
Share Capital (net)	240,000,000	239,960,000	40,000	0.02%	8.84%	9.54%	
Share Premium	958,532,662	357,372,662	1,600,000	0.12%	35.31%	38.08%	
Revaluation Surplus	183,531,277	-	183,531,277	100.00%	6.76%	-	
Retained Earnings (Deficit)	(978,283,187)	(742,962,117)	(253,321,070)	(31.67%)	(36.04%)	(29.55%)	
<b>TOTAL EQUITY</b>	<b>403,780,752</b>	<b>454,370,545</b>	<b>(50,589,793)</b>	<b>-11.13%</b>	<b>14.88%</b>	<b>18.07%</b>	<b>[111]</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,714,423,647</b>	<b>P2,514,004,064</b>	<b>P200,419,584</b>	<b>7.97%</b>	<b>100.00%</b>	<b>100.00%</b>	

<b>(I)</b>	<b>Assets</b>	As of December 31, 2025, the Company's total assets amounted to P2.71 billion, of which P0.35 million (12.90%) comprised of current assets and P2.36 billion (87.10%) in non-current assets.
<b>(I.I)</b>	<b>Non-Current Assets</b>	<p>The Company's non-current assets consisted of the following:</p> <p><b>Property and Equipment, Net of Depreciation</b></p> <p>As of December 31, 2025, this account consists of the land with revalued carrying amount of Php273.00 million, Building - Php1,762.95 billion, medical equipment - Php234.14 million, hospital equipment - Php57.32 million, kitchen tools - Php16.68 million, hospital vehicles - P6.29 million, and office equipment - Php6.84 million.</p> <p>During the year, the Company had its land appraised. The property was inspected on February 8, 2026, and the appraisal report was issued on March 9, 2026, by Cubing Surveying, an independent professional valuer accredited with the Securities and Exchange Commission (SEC). The valuation was performed using the Sales Comparison Approach, which relies on market evidence of recent transactions for comparable properties in the same area.</p> <p><b>Advances to Related Party</b></p> <p>Movement to advances to related parties represents the equipment already delivered amounting to Php32.06 million as at December 31, 2025.</p>
<b>(I.II)</b>	<b>Current Assets</b>	<p>The current assets consist of the following:</p> <p><b>Cash</b></p> <p>The surge in cash and cash equivalents is attributable to collections from its revenue streams. The hospital consistently encounters substantial increments in patient volume and revenue generation. Despite commencing operations, it encountered challenges, including escalating patient admissions to sustain daily operations and relying on its affiliate physicians for referrals. Furthermore, the hospital engaged in marketing and promotional endeavors to attract potential patients. It remains optimistic about overcoming these challenges as it continues to provide hospital services to the public.</p> <p><b>Medical and Hospital Supplies Inventories</b></p> <p>As of December 31, 2025, the inventory account comprises general hospital maintenance supplies, medical and laboratory supplies, and drugs and medicines, totaling Php20.14 million, Php25.46 million, and Php14.40 million, respectively.</p> <p><b>Trade and Other Receivables</b></p> <p>Increased trade and other receivables indicate that the hospital has generated revenue but has not yet received cash payments. This could be attributed to billing processes, insurance claims, or patient payment arrangements.</p> <p>As of December 31, 2025, the hospital's trade and other receivables consisted of Php90.69 million from government institutions, Php50.85 million from health maintenance organizations, and Php24.25 million from other sources.</p> <p>Refundable deposits, including Php5.00 million to MORE POWER Corporation, Php15,000 to Iloilo Medical Society for office rent, and Php20,000 for drug testing services from the Department of Health, have been reclassified to the other receivable, current assets account. These deposits are expected to be applied for or recovered as per the agreements and regulatory requirements.</p> <p><b>Advances to contractors and suppliers</b></p> <p>Advances to contractors and suppliers. Advances to contractors are recognized as a benefit for each project awarded and are liquidated through deduction, on a pro-rata basis, from the contractor's periodic progress billings. As a result of the building's completion, there was no material movement to this account as at December 31, 2025. Advances to suppliers increased by Php24.88 million (117.98%), representing down payments made to various hospital suppliers as at December 31, 2025.</p> <p><b>Prepayments and other Current Assets</b></p> <p>The account represents the unutilized cost of insurance amounted to Php0.82 million, Php24.37 million for the excess of input over output VAT and the carryover of input VAT from previous periods, and prepaid income tax of Php3.52 million, as at December 31, 2025.</p>
<b>(II)</b>	<b>Liabilities</b>	<p><b>Accounts Payables and Other Liabilities</b></p> <p>This account consists of the following: Accounts payable - contractors and suppliers amounting to P308.16 million; Retention Payable amounting to P40.79 million; Accrued Interest Payable P160.83 million; and other payables amounting to P179.75 million.</p>

		<p><b>Loans Payable to Related Parties</b> These are loans extended by Phil Pharmawealth, Inc. (PPI) to the Company. As of December 31, 2024, the balance stands at P544.87 million. These loans were granted to help pay off company obligations.</p> <p><b>Loans from Individuals</b> These are loans paid to the Company to help in the construction of the hospital building. These are gradually liquidated whenever funds are available. As of December 31, 2025, the balance is at P15.70 million.</p> <p><b>Notes Payable (LBP)</b> In 2023, Landbank of the Philippines, approved the restructuring of the total outstanding balance of term loan 1, 3 and 4 in the amount of Php985,594,306 up to seven (7) years from date of effectivity with one (1) quarter grace period on principal and interest. In 2024, it approved Term Loan 6 and a Working Capital Line for P70 million and P30 million, respectively. As at December 31, 2025, the outstanding balance amounted to Php999.351 million and interest expense incurred amounted to Php72.42 million.</p> <p><b>Deferred Tax Liabilities</b> Deferred tax liability is measured at the tax rate applied when the liability is recognized, based on the tax regulation rate enacted by the end of the reporting period. It is computed as the product of the 25% tax regulation rate and the total revaluation surplus of ₱244,708,370. As of December 31, 2025, the deferred tax liability from land revaluation amounted to ₱61,177,093</p>
(III)	Equity	<p>Company's land was appraised in 2026 by Cubing Surveying, an SEC-accredited professional valuer. Independent appraisers performed the valuation of its parcels of land, resulting in a report of March 2026 covering December 31, 2025. The Company's revaluation surplus, net of deferred tax liability, was ₱183,531,277 as of December 31, 2025.</p> <p>Deferred tax liability is measured at the tax rate applied when the liability is recognized, based on the tax regulation rate enacted by the end of the reporting period. It is computed as the product of the 25% tax regulation rate and the total revaluation surplus of ₱244,708,370. As of December 31, 2025, the deferred tax liability from land revaluation amounted to ₱61,177,093.</p> <p>As of December 31, 2025, the total equity amounted to Php403.78 million, a decrease of Php50.50 million (11.13%) from the previous year. This decline was attributed to the loss of Php235.32 million incurred, which was mitigated by the revaluation surplus net of recognized deferred tax liability during the year.</p>

### Key Performance Indicators (KPIs)

Financial KPI		Definition	31-Dec-25	31-Dec-24	Remarks
<b>1. Liquidity</b>					
	Quick Asset Ratio	$\frac{\text{Cash} + \text{Receivables}}{\text{Current Liabilities}}$	0.25:1	0.16:1	During the initial year of full operational capacity, a hospital frequently experiences a substantial increase in patient volume and revenue generation. This surge in cash flow can result in an elevated quick ratio, as the hospital gains enhanced access to its financial resources. Furthermore, the heightened level of trade and other receivables indicate that the hospital has generated revenue but has not yet received cash payments that are due to billing processes, insurance claims, or patient payment arrangements. Consequently, strategies have been implemented to optimize cash collection, thereby enhancing the company's access to funds and enabling its timely payment of debts.
	Current Ratio	Current Assets	0.46:1	0.41:1	During the initial year of full capacity, a hospital experiences a significant surge in patient volume and revenue, leading to a heightened current asset ratio due to increased cash flow, receivables, and

		Current Liabilities			inventory. This surge in financial resources is facilitated by the hospital's increased access to funds. To optimize cash collection and inventory management, strategic measures have been implemented, enhancing the company's access to funds and facilitating timely debt payments.
<b>2. Solvency</b>					
	Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Equity}}$	3.86:1	3.30:1	The increase in long-term debt is due to additional loans extended to the hospital, while collections from sales are not yet sufficient to cover the cost of monthly operations.
<b>3. Profitability</b>					
	Net Profit Margin	$\frac{\text{Net Income}}{\text{Total Revenue}}$	-52.04%	-1.29%	While sales growth has been favorable, operational expenses have experienced an increase. Undeterred by these challenges, the hospital maintains optimism about surmounting them in the forthcoming years and providing exceptional healthcare services to our community.
	Return on Equity	$\frac{\text{Net Income}}{\text{Stockholder's Equity}}$	-58.28%	-1.29%	Stockholders can expect to earn returns on their investment after the hospital generates net income.
<b>4. Leverage</b>					
	Debt to Total Asset Ratio	$\frac{\text{Total Liabilities}}{\text{Total Asset}}$	0.85:1	0.82:1	There has been a slight increase in total liability compared to total assets. The hospital is still in debt to the Land Bank for loans used for constructing the building and acquiring state-of-the-art medical equipment. The increase in liabilities also includes current liabilities.
	Asset To Equity Ratio	$\frac{\text{Total Asset}}{\text{Equity}}$	6.72:1	5.53:1	This increase in ratio shows that most of the company's assets are being acquired through loans and borrowings.
	5. Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests \& Taxes}}{\text{Interest Expenses}}$	-73.02%	-155.47%	An increase in the Interest Coverage Ratio (ICR) can be attributed to the company's efforts in timely payments and effective debt management through the year.

## Item 7. Financial Statements

The 2025 Audited Financial Statements of the Company (with the External Auditors' PTR, Name of Certifying Partner, and Address) and Statement of Management's Responsibility are attached hereto as **Annex A**.

## Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Following the Supreme Court's decision on G.R. No. 246027 dated 28 January 2025 upholding Rule 68, paragraph 3 of the Implementing Rules and Regulations of the Securities Regulation Code (Republic Act No. [RA] 8799) and SEC Memorandum Circular No. 13, series of 2009 (SEC MC No. 13-2009), which required CPAs serving as external auditors for corporations issuing registered securities to obtain SEC accreditation, the Company, being a registered issuer is required under the applicable rules to be audited by a Category "A" Auditor.

As **Dimaculangan and Dimaculangan and Company CPAs'** (DD & Co. CPAs) application for SEC accreditation as a Category A Auditor is still pending approval, DD & Co. CPAs voluntarily withdrew from its engagement as the Company's Principal Auditor for the year 2025, but the firm shall remain engaged as compiler for the said reporting period.

In view of the non-qualification of DD & Co. CPAs as a Category “A” Auditor, the Board of Directors, via referendum on 06 April 2026, appointed **Berces-Ocampo, Mendoza and Associates** (BMA), with Maria Cristina Josefina B. Ocampo as the signing partner, as the Company’s Principal Auditor for the year 2025.

There were no disagreements with Berces-Ocampo, Mendoza and Associates for the year 2025, and with Dimaculangan and Dimaculangan and Company CPAs for the years 2024, and 2023 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

Note 3, Transition to the PFRS, to the financial statements provide discussion on the change in the financial reporting framework, pursuant to the Securities Regulation Code Rule 68, as Amended (2011), including adjustments made on prior period correction of errors in classification of accounts.

**EXTERNAL AUDIT FEES AND SERVICES**

The External Auditor has rendered:

Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.

The Audit Committee has approved the above-mentioned services The aggregate fees billed are shown below:

<b>Year</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Audit Service</b>	<b>200,000</b>	<b>P286, 750</b>	<b>P242, 000</b>
<b>Audit Related Services</b>	-	-	-
<b>Tax Services</b>	-	-	-

Berces-Ocampo, Mendoza and Associates did not render tax or other professional services during the year. Audit service fee is exclusive of 15% which represents out of pocket expenses (OPE), plus 12% VAT in the amount of PHP 200,000 during the year ended December 31, 2025.

Likewise, Dimaculangan and Dimaculangan and Company CPAs did not render tax or other professional services during the years 2024 and 2023. Audit service fees are inclusive of 15% of other fees which represents out of pocket expenses (OPE) and QAR Fees plus 12% VAT amounted to Php 34,410 and Php 26,400 during the years ended December 31, 2024 and 2023, respectively.

**PART III – CONTROL AND COMPENSATION INFORMATION**

**Item 9. Directors and Executive Officers of the Issuer**

**BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers, and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of its operations for its review. The Board consists of fifteen (15) members, of which three (3) are independent directors.

The table below set forth the members of the Company's Board as of December 31, 2025.

Name	Age	Position	Citizenship	Period during which an individual has served as such
Biron, Ferienel G.	61	Chairman	Filipino	January 2020 to present
Lavilla, Meride D.	63	Vice Chairman	Filipino	August 2021 to present
Regozo, Danilo C.	63	Executive Vice President	Filipino	August 2021 to present
Gomez, Lusyl M.	66	Director/Asst. Secretary	Filipino	2017 to 2018 (ID) ; August 2021 to present
Villaflor, Agnes Jean M.	61	President	Filipino	June 2025 to Present
Fernandez, Lemuel T.	58	Director/Asst. Treasurer	Filipino	2018-2020 (I.D); August 2021 to present
Biron, Brandt Luke Q.	28	Director	Filipino	June 2025 to present
Dianco, Felibert O.	52	Director	Filipino	2020 (ID); 2020 to present
Nolasco, Felix	73	Hospital Director	Filipino	2014 to 2017; December 2023 to present
Samoro, Fredilyn G.	61	Director	Filipino	2014 to present
Suplico, Rolex T.	67	Director	Filipino	2020 to present
Ong, Mary Flor G.	52	Director/Treasurer	Filipino	December 2023 to present
Bermudo-Belgira, Johanna Marie	36	Independent Director	Filipino	June 2024 to present
Debuque, Nathalie Ann F.	32	Independent Director	Filipino	July 2025 to Present
Silverio, Lorna C.	78	Independent Director	Filipino	June 2025 to present

All the aforementioned individuals were duly elected as members of the Board of Directors and Officers of the Corporation for the year 2025, to serve until their successors are elected during the Annual Stockholders' Meeting of Asia Pacific Medical Center - Iloilo, Inc. held on 18 June 2025.

During the Organizational Meeting held on the same date, Ms. Lorna C. Silverio was elected as Lead Independent Director. Dr. Biron and Dr. Lavilla were re-elected as Chairman and Vice Chairman, respectively. Dr. Villaflor was elected as President, while Dr. Regozo was re-elected as Executive Vice President. Atty. Gerafil was elected as Corporate Secretary, while Dr. Gomez was re-elected as Assistant Corporate Secretary. Dr. Ong and Mr. Fernandez were likewise re-elected as Corporate Treasurer and Assistant Treasurer, respectively.

**FERJELEN G. BIRON, MD**

Director / Chairman  
January 2020 to Present

Dr. Biron is the Chairman of the Asia-Pacific Medical Center (APMC) Group of Hospitals, which includes APMC Aklan, APMC Bacolod, and APMC Iloilo. He served as President of these institutions hospitals from their respective incorporation until June 2020 for APMC Aklan, August 2021 for APMC Iloilo, and August 2022 for APMC Bacolod.

These hospitals were incorporated separately as Asia Pacific Medical Center-Iloilo, Inc. in December 2014, Asia Pacific Medical Center - Bacolod, Inc. in September 2017, and Asia Pacific Medical Center- Aklan, Inc. in December 2017.

He is also a member of the Board of Directors of Allied Care Experts (ACE) Medical Center – Butuan Inc., ACE Medical Center – GENSAN Inc., and ACE Medical Center – Cagayan de Oro, Inc.

From 2020 to 2021, Dr. Biron was Chief Executive Officer of Endure Medical Inc. He currently serves as the President of Aesthetica Manila, Inc., and Smartlab Diagnostics, Inc., and as Chairman of several companies, including Park3 Realty & Development Corporation, EMI Properties OPC, Newlife Regenerative and Wellness Center, Obbo Holdings, Inc., Botikang Pinoy, Inc., Super BP Mart Corporation, and Endure Medical Laboratories Inc.

In government service, Dr. Biron served as Chairman of the Committee on Trade and Industry in the House of Representatives where he led the passage of the Revised Corporation Code in 2019. He currently serves as Deputy Speaker in the House of Representatives.

**AGNES M. VILLAFLOR, MD, FPCP, FPSN**

Director/President  
June 2025 to Present

Dr. Agnes M. Villaflor has served as President of the Company since June 2025 and as a Director since December 2023. Prior to her appointment as President, she served as the Company's Medical Director until April 2025, Corporate Treasurer from June 2016 to December 2023, and Assistant Corporate Secretary from December 2014 to May 2016. She is currently an Independent Director of Allied Care Experts Medical Center Butuan, Inc. Allied Care Experts Medical Center Cagayan De Oro, Inc., and Allied Care Experts Medical Center GenSan, Inc., and has been the Medical Director of M3 Dialysis Center since 2007. She has likewise served as Medical Director and Corporate Secretary of Renal Specialty, Inc. since 2016.

Dr. Villaflor is also a Training Officer in the Department of Internal Medicine of West Visayas State University Medical Center and a Professorial Lecturer at the College of Medicine of West Visayas State University. She serves as Head of the Renal Care Center and the Section of Nephrology at the same institution, and as Head Nephrologist of M3 Dialysis Center Iloilo, Inc. and the Iloilo Mission Hospital Dialysis Unit. She is a Fellow of the Philippine College of Physicians and the Philippine Society of Nephrology, a member of the International Society of Nephrology, and is currently pursuing a Master of Arts in Hospital Administration at Cebu Doctors' University.

**MERIDE D. LAVILLA, MD, FPPS**

Director / Vice Chairman

**Dr. Lavilla** is the current Vice Chairman of the Board. She also served the company as Assistant Corporate Treasurer from December 2014 to May 2016 and was the Corporate Secretary from June 2016 until she stepped down to become Assistant Corporate Secretary in September 2019, a position she held until her election as Vice Chairman in August 2021. Dr. Lavilla was also the Corporate Secretary of Healthlink Inc. for 3 years and a member of its Board of Directors for 5 years. She also served as the Corporate Treasurer from 2017 to 2018 and Assistant Corporate Treasurer from 2018 to present of Asia Pacific Medical Center Bacolod Inc. She is the Vice President of Asia Pacific Medical Center (APMC) - Aklan Inc. since 2018. She has been a Director of Allied Care Experts (ACE) Medical Center Cagayan de Oro Inc. since 2016 and is the current Assistant Corporate Treasurer of the corporation. She is also a Founding Member of ACE Medical Center-Butuan, Inc., and ACE Medical Center – GENSAN. Dr. Lavilla served as Chairman of Excel Global Inc. from 2017-2020 and has served as the Corporate Secretary of Healthlink Iloilo, Inc. from 2009 to 2011, and a member of its Board of Directors since 2014. Dr. Lavilla is a member of the Philippine College of Occupational Medicine and is a Medical Retainer for Vitarich Corporation since 1998 and Angelina Bakeshop from 2008 to 2020.

Dr. Lavilla became a Diplomate of the Philippine Pediatric Society in 1998 and a Fellow Member in 2014. She has been a Clinical Preceptor in Pediatrics for 2nd and 3rd year Medical Students of West Visayas State University, College of Medicine from 1994 to present. She is completing her thesis for Master of Arts in Hospital Administration at Cebu Doctors University. Aside from being a Physician, Dr. Lavilla is also a Registered Nurse.

**LUSYL M. GOMEZ, MD, DPPS**

Director/ Assistant Corporate Secretary  
2017 to 2018; June 2024 to Present

**Dr. Gomez** currently serves as the Assistant Corporate Secretary of the Company, having been reappointed to the position in June 2024 after previously serving in the same capacity from August 2021 to June 2023. On August 1, 2023, she was appointed as Chair of the Department of Pediatrics of APMCI, a position she held until June 30, 2025, after which she served as Director for Medical Services until January 31, 2026. She also served as Assistant Corporate Treasurer from October 2020 to August 2021 and as Vice President for Finance of the Company from 2018 until June 30, 2025. Earlier, she served as an Independent Director of the Company from September 2017 to August 2018 and was first elected as a Regular Director in 2018. Dr. Gomez is a Fellow of the Philippine Pediatric Society, a member of the Philippine College of Occupational Medicine, and an Associate Member of the Philippine Academy of Family Physicians. She has likewise served as Treasurer and Member of the Board of Healthlink (Iloilo), Inc. for seventeen (17) years, from 2009 to the present.

Dr. Gomez has also served as a Member of the Board of Directors of Wellness Medical Pharma for six (6) years and as its Treasurer for four (4) years. She was the VP for Operations of Excel Global, Inc. from 2016 to 2019; and currently the Head of Operations of IPEDCARE Plus Pharmacy since 2021. She was a Professor at the School of Dentistry of Iloilo Doctors College for three (3) years and previously served as a school physician at St. Therese College and STI College for three (3) years. In addition, she served as Vice President for Operations of Excel Global Inc. from 2016 to 2019 and as Head of Operations of Ipedcare Plus Pharmacy beginning in 2021. Dr. Gomez is currently pursuing a Master of Arts in Hospital Administration at Cebu Doctors' University and is presently in the thesis-writing stage.

**MARY FLOR GAFATE-ONG, MD, FPCP, FPCEDM**

Director/Treasurer  
December 2023 to Present

**Dr. Gafate-Ong** was elected as a Regular Director on June 30, 2023 and was subsequently appointed as Treasurer of the Company on December 17, 2023. She is an Active Staff at the Department of Internal Medicine-Iloilo Mission Hospital and Asia Pacific Medical Center-Iloilo. She is a Visiting Staff at the Department of Internal Medicine at West Visayas State University Medical Center, Iloilo Doctors' Hospital, The Medical City-Iloilo, and Healthway QualiMed Hospital Iloilo. She is also a Member of the Faculty of the College of Dentistry of West Visayas State University, professorial lecturer at the College of Medicine of West Visayas State University and part-time Faculty of the College of Medicine of Central Philippine University. Last August 01, 2023, she was appointed as the head of Nutrition and Dietetics Services. She has served as the Corporate Secretary of Excel Global, Inc. for six (6) years and is a member of the Board of Directors of NEFRON Dialysis Center, Inc., for six (6) years.

Dr. Ong graduated from West Visayas State University with a degree in Bachelor of Science in Biological Science and completed her Medical Degree in the same university.

**DANILO C. REGOZO, MD, DFM, FPAFP**

Director / Executive Vice President  
August 2021 to Present

**Dr. Regozo** currently serves as the Executive Vice President of the Company and the concurrent Director of the Ancillary Services Division. He has also been the Executive Vice President of Asia Pacific Medical Center – Bacolod, Inc. since 2017 and a member of the Board of Directors of Asia Pacific Medical Center–Aklan, Inc. since 2017. Dr. Regozo is also a member of the Board of Directors of Allied Care Experts (ACE) Medical Center - Butuan, Inc. and ACE Medical Center - GenSan since 2019. He also serves as the Chairman of the Board of Excel Global Inc. Dr. Regozo is the owner of Farmacia Neo and Regozo Family Medicine Clinic. He is a

practicing Family Physician and a registered nurse and was conferred Diplomate status in Family Medicine in 1999, Fellow-Life of the Philippine Academy of Family Physicians in February 2014. He has been an Associate Member of the Philippine College of Occupational Medicine since 1994.

Within the Philippine Academy of Family Physicians – Iloilo Chapter, Dr. Regozo served as Treasurer from 2001 to 2003 and Vice President from 2003 to 2004. He is currently the Head of the Department of Family Medicine. He has also been actively involved in the Iloilo Medical Society, where he served as Assistant Secretary from 2014 to 2016, Vice President from 2016 to 2018, and Member of the Board of Directors from 2018 to 2019.

At present, Dr. Regozo is pursuing a Master of Arts in Hospital Administration at Cebu Doctors' University and is currently in the thesis writing stage of the program.

#### **LEMUEL T. FERNANDEZ**

Director/Assistant Treasurer

February 2020; August 2021 to Present

**Mr. Fernandez** served as an Independent Director from 2018 to 2020 and was elected as a Regular Director of the Company on February 15, 2020, following his resignation as Independent Director of Asia Pacific Medical Center–Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center–Iloilo, Inc.), a position he held from August 2018 to February 2019. Mr. Fernandez has served as the Editor-in-Chief of The Daily Guardian since 2002 and as Chief Political Officer of the House of Representatives since 2016. He served as President of the Rotary Club of Iloilo in 2016 and as President of the Iloilo Press Club during the periods 1999–2000 and 2002–2003. Mr. Fernandez earned his Bachelor of Arts degree from the University of Iloilo in 1988.

#### **FELIBERT O. DIANCO, MD, FPCP, FPCC, FPSE**

Director

2014 to Present

**Dr. Dianco** was elected as regular Director on August 26, 2021, to the present. He also served as Independent Director of the Company from October 29, 2020 to August 26, 2021. He is the Chairperson of the Internal Medicine Department and Head of the Cardiac Laboratory Unit of the Company since August 1, 2023.

He is also a professorial lecturer at West Visayas State University, College of Medicine, and Central Philippine University, College of Medicine. He had been a President of the Philippine Heart Association Western Visayas-Panay Chapter for two (2) years and previously a member of the Board of Directors and Treasurer of PCP – Western Visayas.

Dr. Dianco completed his Medical Degree in West Visayas State University. He also studied Master's in Hospital Administration at Cebu Doctors' University.

#### **BRANDT LUKE Q. BIRON**

Director

June 2025 to Present

**Brandt Luke Q. Biron** holds various key positions in the Endure ( Biron) Group of Companies. He is the President of Endure Medical Inc., NORIB Air Services OPC, Oncolife Corporation, Skingen Biotech Inc., Botikang Pinoy Franchising Corp., Botikang Pinoy Generix Inc., Botikang Pinoy Inc., Bread Kingdom OPC, and Endure Medical Laboratories Inc. He also serves as a Director of Park3 Realty & Development Corporation and Super BP Mart Corporation. He is a Senior Vice President at International Apex Pharmaceuticals, Inc., Corporate Secretary of EMI Properties OPC. and acts as Treasurer of Newlife Regenerative & Wellness Center, Inc., OBBO Holdings, Inc., Singapore Genebio, Inc. and Ferj Pharmacy, Inc.

Mr. Biron is currently pursuing a dual degree in Doctor of Medicine - Master in Business Administration at the Ateneo De Manila University School of Medicine and Public Health and started his post graduate internship in June 2025.

**FELIX P. NOLASCO, MBA, MMHoA, FPSOHNS, FPSCS, FPCS**

Director/ Hospital Director  
2020 to Present

**Dr. Nolasco** is a Maxillofacial-Plastic Otolaryngologic- Head and Neck Surgery Specialist who was re-elected as Director of the Company in October 2020 and continues to serve as such up to the present. He had previously served as the Assistant Medical Director of the Company until he was appointed as the Hospital Director in January 2025. He also served the Board from December 2014 to September 2017.

Dr. Nolasco is presently the Chairman of Sto. Tomas Doctor's Hospital Medical Center since 2017. He was the Vice President, Assistant Medical Director and a Member of the Board of Directors of Allied Care Experts (ACE) Medical Center Cebu for six (6) years. He is also serving as the Vice Chairman of ACE Quezon City and former in ACE Baliwag and has been its Director for nine (9) years and eleven (11) years respectively. Presently, Dr. Nolasco is also a Director of ACEMC-Baypointe, ACEMC-Pateros, ACEMC Baliwag. Mindoro Medical Center and SOMOS Medical Center. He has previously served as the Assistant Treasurer and is currently a Director of ACE Tacloban since 2016.

Dr. Nolasco has previously held the following positions: President of Unihealth Baypointe Hospital Medical Center, Vice President of ACEMC Bohol, Inc., Vice Chairman of ACEMC-Baliwag, Medical Director and Administrator of Unihealth Paranaque Hospital and Medical Center.

Further, Dr. Nolasco has served as Director of ACE Valenzuela for 8 years, ACE Baypointe for 8 years, Unihealth Paranaque Hospital and Medical Center for 8 years, Mindoro Medical Center for 4 years and SOMOS Medical Center for 4 years. On the academic side, he was the President of the Philippine Board of Otolaryngology-Head and Neck Surgery in 2020, after serving as a director for many years. He was President of the Phil. Society of Otolaryngology-Head and Neck Surgery Inc., in 2005, Founding Chairman of the Phil Academy of Cranio Maxillo Facial Surgery, PSOHNS, and Founding Director of the Otolaryngologic Maxillofacial Aesthetics Center at East Avenue Medical Center - a DOH Hospital.

He was a Chairman of the ENT-HNS, East Ave Med Center for seventeen (17) years and retired in 2017 as Chairman Emeritus. He was also a Former Executive Officer of the ENT-HNS Jose R. Reyes Memorial Medical Center and Consultant of the Department of Otolaryngology, UP-PGH Medical Center and served as OPD Otolaryngologist-Hearing Conservation Officer of the Subic Naval Base in 1984-1986.

**FREDILYN G. SAMORO, MD, FPOGS**

Director  
2014 to Present

**Dr. Samoro** has been one of the Directors of the Company since 2014. She served as Vice Chairman of the Board of Directors from August 2019 to October 2021 and was also previously the Vice President for Marketing. She is also the President of Allied Care Experts (ACE) Medical Center Inc., Butuan and Allied Care Experts (ACE) Medical Center – GENSAN, and aslo Founding member of ACE CDO and Tagum Global Medical Center. She is the School Head/Chief Operations Officer of Iloilo Integrated School from 2005 to present and a member of the Board of Directors of MD Check Iloilo Inc. from 2009 to present. She is one of the Founding Members / Board of Directors of Healthlink Iloilo since 2005, and was elected as the Vice President last 2025.

Dr. Samoro also served as Vice President of Philippine Obstetrical & Gynecological Society, Panay Chapter in 2013, and President of Philippine Obstetrical and Gynecological Society in 2014. She is a Past Treasurer in the Council of Presidents of ACE Medical Center. Presently, she is writing her thesis for Master of Arts in Hospital Administration at Cebu Doctor's College.

**ATTY. ROLEX T. SULPICO**

Director  
2020 to Present

**Atty. Rolex Suplico** was first elected as Director of the Company in October 2020. He is one of the country's foremost experts in telecommunications, radio and television broadcast, and franchise laws. He is the President of Great Odysseus Security Agency, Inc., Great Jupiter Mercantile, Inc., and R25 Manpower Services Corp. He is a founding member of the law firm of Suplico, Austria, and Marbella which is engaged in the general practice of law with offices at 18B Pet Plans Tower, 444 EDSA, Makati City, Metro Manila.

He is currently an Iloilo Provincial Board Member for the term 2025-2028. He served as Iloilo's Vice Governor from 2007-2010. He was a Deputy Minority Leader of the House of Representatives and a member of the Commission of Appointments from 2004-2007. From 1998-2007, he represented the Province of Iloilo's Fifth District as Congressman. He was also elected as Iloilo Provincial Board Member in 1995.

**NATHALIE ANN F. DEBUQUE**

Independent Director  
2025 to Present

**Nathalie Ann Debuque** was elected Independent Director last June 2025. She is a Filipino public servant from the Province of Iloilo who became widely recognized for entering public office at a young age. In 2016, she was elected mayor of the Municipality of Anilao at only 22 years old, making her one of the youngest elected mayors in the Philippines at the time. Her election drew public attention to the role of young leaders in local governance and community development.

During her time in public service, Debuque supported programs aimed at strengthening community participation, improving local services, and encouraging youth involvement in governance. Her leadership style has often emphasized transparency, accessibility, and collaboration with different sectors of the community.

Ms Debuque pursued higher education at the University of the Philippines Manila, where she earned a Bachelor's degree in Industrial Pharmacy. Her academic background and early exposure to public service contributed to her interest in governance and public administration, particularly in initiatives that promote local development and civic engagement in Iloilo.

**LORNA C. SILVERIO**

Independent Director  
June 2025 to Present

**Lorna Silverio** was elected Independent Director last June 2025. She is a Filipino business executive and public servant with extensive experience in both government and corporate leadership. She currently serves as the Lead Independent Director of the company. In public service, she represented the 3rd Congressional District of Bulacan as a member of the House of Representatives of the Philippines from 2001 to 2010 and again from 2016 to 2025.

Aside from her legislative career, Silverio has been active in several business and professional organizations. She has served as Chairman of Smartlab Diagnostic & Dialysis Center, Inc. since 2018 and as Senior Financial Advisor of Air Philippines since 2014. She is also the Chairman of Philippine Development Corporation, a position she has held since 2016. In addition, she has been the President of SILCOR USA, Inc. since 2018 and the President of Northern Star Development Corporation since 2020. Earlier in her career, she established Prime Sites Advertising Corporation, where she has served as Chairman and President since 1986.

Her professional career reflects decades of leadership in both public governance and private enterprise.

**ATTY. JOHANNA MARIE BERMUDA-BELGIRA, MBM**

Independent Director  
June 2024 to Present

**Atty. Bermuda-Belgira** was first elected as Independent Director on June 11, 2024. She is the Municipal Legal Officer of the Local Government Unit (LGU) of Barotac Nuevo, Iloilo since 2019. She serves as the Data Protection Officer Designate and Officer-In Charge, Human Resource Management and Development Officer IV of the said LGU since 2023 and January 2024, respectively. She also acted as the Municipal Administrator of the said LGU from 2019 until 2022. Prior to her employment in the said LGU, she was a Local Legislative Staff Officer of the Iloilo Provincial Government from 2016 until 2019. She is a partner of Lutero, Andutan, Hongco, Bermudo and Gumboc Law Office since 2016 which is engaged in general practice of law in Iloilo City.

She is the Vice President, Internal Affairs of Junior Chamber International (JCI) Philippines Barotac Nuevo Tamasak Chapter and the General Legal Counsel of said organization from 2023 until 2025. She has been a consultant and retained counsel representing different corporations and businesses in Iloilo and Manila.

Atty. Bermudo finished her Master of Management in Business Management at University of the Philippines Visayas in 2023.

**TERM OF OFFICE**

Pursuant to the Company's By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies or is removed prior to election to such.

**OFFICERS**

The table below sets forth Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center – Iloilo, Inc.) executive officers in addition to its executive directors listed below as of December 31, 2025.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Citizenship</b>	<b>Period during which individual has served a such</b>
Maylene B. Villanueva	45	Compliance Officer	Filipino	February 2019 up to present
Cris T. Cortes	38	Chief Finance Officer	Filipino	September 2023 up to present
Giovanni A. Delos Reyes	72	Director for Admin and Support Services	Filipino	September 2024 to present
Therese Marie A. Gerafil	30	Corporate Secretary/Data Protection Officer/ Legal Officer	Filipino	January 2025 to present

Toni Dinah Cheer D. Fernandez	57	Investor Relations Officer (IRO)	Filipino	August 2023 to present (IRO)
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**ATTY. MAYLENE B. VILLANUEVA, CCO, AICD**

Compliance Officer  
February 2019 to Present

**Atty. Villanueva** has served as the Compliance Officer of the Company since February 2019. She was also the previous Corporate Secretary of the Company from August 2019 to 2023. She is also the President of TIPP Digital Solutions, Inc., an IT solutions company, and the Managing Partner of Villanueva, Balio, and Ariston Law Offices. Her legal expertise encompasses government procurement, intellectual property, data privacy, labor, and various corporate laws.

Atty. Villanueva also serves as the Compliance Officer of Asia Pacific Medical Center (APMC) - Aklan, Inc. since July 2021, Asia Pacific Medical Center - Bacolod since April 2022, and Allied Care Experts (ACE) Medical Center - Zamboanga since August 2024. She is the General Counsel of the Endure Medical Group (Biron Group of Companies). She also served as the Acting President of Phil Pharmawealth, Inc. from September 2021 to April 2022.

Atty. Villanueva concurrently serves as the Corporate Secretary for Quiklab Diagnostics, Inc., Aesthetica Manila Inc., and Smartlab Diagnostics Inc. From 2019 to 2023, she was a Private Sector Representative on the Board of Trustees/Regents of Iloilo State University of Fisheries, Science and Technology (ISUFT and formerly ISCOF).

Atty. Villanueva has held various positions in Junior Chamber International Philippines, including Area Vice President for Area 4 – Visayas in 2020, General Legal Counsel in 2019, and Regional Vice President for Western Visayas in 2016. She also served as the Revival President of the local organization, JCI Barotac Nuevo Tamasak from 2013 to 2014. She was conferred JCI Senatorship on May 6, 2022, by Junior Chamber International.

Atty. Villanueva is a Certified Compliance Officer and Certified Tax Specialist through the Center for Global Best Practices, as well as an Associate Member of the Institute of Corporate Directors. Additionally, she is a Certified Data Protection Officer from the UP Open University and a Certified Level 2 Public Procurement Specialist through the GPPB-UP National Engineering Center program partnership.

**ATTY. THERESE MARIE A. GERAFIL, Rpm**

Corporate Secretary/Data Protection Officer/Legal Officer  
January 2025 to Present

**Atty. Gerafil** was appointed as Corporate Secretary of Asia Pacific Medical Center–Iloilo, Inc. (APMCI) in December 2024. She likewise serves as the Company’s Legal Officer and Data Protection Officer.

Prior to joining APMCI, Atty. Gerafil served at the Department of Agrarian Reform Regional Office VI from October 2019 to December 2024. During her tenure, she held various positions; Agrarian Reform Program Officer II - Legal Officer (March - December 2024), Agrarian Reform Program Officer I (March 2022 - March 2024) and Agrarian Reform Program Technologist (March 2020 - March 2022). She was also designated as a member of the Bids and Awards Committee Secretariat, Executive and Management Committee Secretariat, and a member of the Contract Management Team of the Procurement Support Unit at DARRO VI. Before entering government service, she worked as a Hospital Psychometrician at the Neuroscience Center of St. Paul’s Hospital of Iloilo from 2018-2019.

**CRIST T. CORTES, CPA**

Chief Finance Officer

September 2023 to Present

**Mr. Cortes** is the Chief Finance Officer of the company. He passed the Philippine National Licensure Examination for Certified Public Accountant (CPA) (Given by the Board of Accountancy under Philippine Regulations Commission in October 2010) with professional and progressive experience to relevant exposures to various business sectors such as power, pharmaceutical, banking and finance, cooperative, and service in the field of accounting and external audit. He used to be the Senior Auditor of Ernst & Young (EY) – Trinidad from May 1, 2015 to April 30, 2016. He was also a Supervisor II of R. G. Manabat & Co. (formerly KPMG Manabat Sanagustin & Co., CPAs). Moreover, he used to be the Finance Head of Phil Pharmawealth, Inc. from January 26, 2017 to August 31, 2019.

**GIOVANNI A. DELOS REYES, MD, FPCS, FPSGS**

Director for Administration and Support Services

September 2024 to Present

**Dr. Delos Reyes** is the Hospital Administrator of the Company. He was the former Chairman and training officer of the Department of Surgery at WVSU College of Medicine and University Medical Center. He was also the former OIC Medical Director at WVSU Medical Center from 2008-2010. He was the former Vice President of Medical and Allied Sciences at WVSU from November 8, 2011 until March 18, 2018. He was the former Chief of Hospital of Holy Mary Women and Children Hospital from 2018 to 2022. He was an active member and Elder (Area Governance Team) of Couples for Christ Iloilo Area. His research paper “Comparative Study on the Use of Open Dressing versus Povidone Iodine Dressing in the Prevention of Superficial Site Surgical Site Infection on Clean and Clean-Contaminated Wounds” was published in the proceedings of the 1<sup>st</sup> WVSU International Research Conference in February 2008.

**TONI DINAH CHEER D. FERNANDEZ, MLMEd**

Investors Relations Officer

August 2023 to present (IRO)

**Mrs. Fernandez** is a retired public secondary school Mathematics teacher. She had been a Department Head of the Iloilo National High School-School for the Future, a post she held for 5 years until her promotion as Academic Program Head of Accountancy, Business & Marketing strand of the same institution when the government rolled out its Senior High School program in 2016.

Mrs. Fernandez is the recipient of various international scholarships: the Japanese Monbukagsho (Department of Education, Science & Technology) for Teacher-trainee at Hiroshima University, Japan in 2001-2003 and the Australian Agency for International Development (AusAid) for Masters of Leadership and Management in Education, Major in School Leadership at the University of Newcastle, NSW, Australia in 2012-2013. She was also a Visiting International Faculty under the Cultural Exchange Program of the United States of America at Nash–Rocky Mount Schools in North Carolina in 2007-2008.

Having finished a degree in Accountancy in 2019, Mrs. Fernandez is presently the Office Manager of the Investors Relation Office of the Asia Pacific Medical Center Iloilo Inc. She also doubles as Finance Manager of the Daily Guardian Multi-Media Services Incorporated, a family corporation which is into publishing, public relations and commercial printing for the past 20 years.

## **INDEPENDENT DIRECTORS**

The independent directors of the Company as of 31 December 2025 are as follows:

1. Lorna C. Silverio
2. Nathalie Ann F. Debuque
3. Johanna Marie Bermudo- Belgira

## **SIGNIFICANT EMPLOYEES**

The Company has no employee who is not an executive officer but who is expected to make a significant contribution to the business.

## **FAMILY RELATIONSHIPS**

Director and Chairman Ferjenel G. Biron is the father of Director Brandt Luke Q. Biron. Director Lemuel T. Fernandez is the spouse of Investor Relations Officer Toni Dinah Cheer Fernandez. The spouse of Director and Assistant Corporate Secretary Lusyl Gomez is the first cousin of Director and President Agnes Jean Villaflor.

## **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

### **A. Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City ( Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-emption, and for Attorney's Fees) Dax Matthew M. Quijano et.al. v. ACE Medical Center Cebu Inc. , Felix P. Nolasco, et.al.**

On 7 March 2018, several complainant (Dax Matthew M. Quijano, et.al) though counsel filed a civil complaint against the Hospital and its Directors, including Felix Nolasco praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise preemptive rights to the increase of capital approved by the Board on November 12, 2016. The Defendants (based in Cebu) have already filed their Answer to the Complaint, but the Manila based Doctors, which include Dr. Nolasco, had not been served the summons. On 5 August 2020, a Motion to Dismiss the Complaint was filed for lack of interest of plaintiffs to prosecute the case. The case was scheduled for mediation on 14 July 2021. Since an agreement was not reached, mediation was scheduled on 29 July 2021. No agreement was reached so it was sent back to court for judicial dispute resolution which was held on 9 February 2022. The JDR failed. The case is up for pre-trial conference on 13 April 2023.

During the hearing on 15 March 2024, the court informed the parties that it needed time to evaluate the Motion for Partial Summary Judgment filed by the complainants and reset the pre-trial conference on 22 April 2024, at 09: 15 in the morning without prejudice to the resolution of the motion.

The pre-trial conference scheduled on 21 March 2025 was reset to 23 May 2025 at 10:45 in the morning considering that plaintiffs' motion for partial summary judgment is still to be resolved by the court.

At the scheduled pre-trial conference on 23 May 2025, the parties and their counsels were again informed that the Court had not yet finalized its resolution on the Motion for Summary Judgment. Consequently, the pre-trial conference was reset to 25 July 2025 at 10:00 a.m.; however, the same was cancelled. Thereafter, the next hearing was scheduled on 24 November 2025, at 9:15 a.m., but this was subsequently reset to 21 June 2026, at 8:00 a.m.

**B. Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-Emption, and/or Attorney's Fees) Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center- Cebu, Inc., Felix P. Nolasco et.al.**

On 5 February 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise preemptive rights to the increase in capital approved by the Board on 12 November 2016. The Cebu-based defendants had already filed their Answer to the Complaint and Dr.Kionisala had filed a Motion for Partial Summary Judgement, but the same was opposed by defendants on 2 May 2018. No ruling was made on such motion hence the case had not moved. The Defendants filed a Motion to dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for mediation on 16 June 2021. Since an agreement was not reached, the pre-trial on 13 August 2021 proceeded as scheduled. On 5 November 2021, a hearing was held but no resolution was made. Another hearing was scheduled on 4 March 2022, but plaintiffs were unavailable. On 22 April 2022, another hearing was scheduled but plaintiff requested that his previous manifestation be addressed first. The hearing scheduled on 24 June 2022 was postponed.

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

The Plaintiff submitted a motion to submit the case for decision based on legal issues, which was filed with the Court on October 24, 2022. The Defendant filed a comment on November 7, 2022. An order dated June 30, 2023, was received, in which the Court granted the Plaintiff's motion to submit the case for decision based on legal issues dated October 18, 2022. The Presiding Judge allowed both parties to file their respective memoranda, limited to the issue of the extent of the Plaintiff's preemptive right to purchase or subscribe to shares of stock in view of the Defendant Corporation's increase in capital stock, within 30 days from receipt of the said order.

The Defendant's counsel subsequently filed a Motion for Reconsideration seeking to set aside and deny the Plaintiff's motion to submit the case for decision based solely on the issue of whether the Plaintiff is entitled to the preemptive right to subscribe to one block of shares equivalent to 10 shares or only 3 shares, citing utter lack of merit. The Plaintiff's counsel filed an opposition to the Motion for Reconsideration.

The Defendant's Motion for Reconsideration of the Order dated June 30, 2023, which granted the Plaintiff's motion to submit the case for decision based on legal issues, remains pending resolution by the Court. As a matter of procedure, should the Court grant the Motion for Reconsideration, the case will proceed to pre-trial and trial. Otherwise, both parties will be directed to submit their respective memoranda in support of their respective claims and defenses, after which the case shall be deemed submitted for decision.

As of 31 December 2025, to the knowledge and information of the Company, except for the abovementioned Directors, none of the Company's other Directors or Executive Officers have been involved in any legal proceedings during the last five (5) years that are material to an evaluation of their ability or integrity to act as such.

## Item 10. Executive Compensation

### Summary of Compensation Table

Name and Position	Year	Salaries	Bonuses	Others	Total
President and the Top Five (5) Officers	2025	5,280,000.00	-	1,770,000.00	7,050,000.00
	2024	1,580,000.00	-	1,957,777.76	3,537,777.76
	2023	2,670,000.00	170,000.00	1,340,000.00	4,180,000.00
Aggregate Compensation Paid to All Officers and Directors as a Group Unnamed	2025	1,200,00.00	3,150,000.00	-	4,350,000.00
	2024	842,000.00	-	1,479,555.51	2,321,555.51
	2023	2,590,000.00	120,000.00	2,950,000.00	5,660,000.00

Upon the recommendation of the Remuneration and Compensation Committee, the Board of Directors of the Company through Board Resolution No. 2023-05-08 as amended, approved an increase in the compensation of Corporate Officers to take effect upon the commencement of operations and booked as payable to Executive Directors subject to availability of funds as follows:

The salary provided for the Executive Directors of Asia Pacific Medical Center – Iloilo, Inc. are as follows:

Chairman	One Hundred Thousand Pesos (P100,000.00)
President	One Hundred Thousand Pesos (P100,000.00)
Vice President	Eighty Thousand Pesos ( P 80,000.00)
Vice Chairman	Eighty Thousand Pesos ( P 80,000.00)
Corporate Secretary	Eighty Thousand Pesos ( P 80,000.00)
Corporate Treasurer	Eighty Thousand Pesos ( P 80,000.00)
Assistant Corporate Secretary	Fifty Thousand Pesos ( P 50,000.00)
Assistant Treasurer	Fifty Thousand Pesos ( P 50,000.00)

The company approved a reasonable per diem for Directors in the amount of Thirty Thousand Pesos (PhP 30,000.00) per Board Meeting, Five Thousand Pesos (PhP 5,000.00) for Executive Committee Meetings, Three Thousand Pesos (PhP 3,000.00) for other committee meetings and additional Fifteen Thousand Pesos and additional ( PhP 15,000.00) for out of town meetings.

Pursuant to Board Resolution No. 2025-05-17, approved on 18 May 2025, the compensation of the Chairman and Vice Chairman was reclassified to per diems, with the amount of Php 100,000 and Php 80,000 respectively, for one (1) meeting per month. No other additional per diems shall be granted for any subsequent meetings held within the same month.

### **OTHER ARRANGEMENTS**

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly during 2025, 2024, 2023 for any service provided as a director.

## **EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND EXECUTIVE OFFICERS**

There are no special employment contracts between the Company and the named executive officers.

## **WARRANTS AND OPTION HELD BY THE EXECUTIVES AND DIRECTORS**

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

## **SIGNIFICANT EMPLOYEE**

While the company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact in the business of the company. Other than the standard employment contracts, there are no special arrangements with non – executive employees of the Company.

### **Item 11. Security Ownership of Certain Beneficial Owners and Management**

#### **SECURITY OWNERSHIP OF RECORD AND BENEFICIAL OWNERS**

The following table shows the record and beneficial owners of more than 5% of the voting securities of the Company as of December 31, 2025:

#### **SECURITY OWNERSHIP OF MANAGEMENT**

<b>Class</b>	<b>Names/Address of Record Owner</b>	<b>Name of Beneficial Owner/Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number Of Shares Held</b>	<b>% to Total Outstanding Shares</b>
<b>Common Founder</b>	Biron, Ferjenel G. 82 Firefly Cor. Butterfly Streets, Valle Verde VI, Pasig City	Biron, Ferjenel G. / Record owner is also a Beneficial owner.	Filipino	48,166 240	<b>20.17%</b>
<b>Common Founder</b>	Biron, Brandt Luke Q. Unit 4403, Trump Tower, Century City, Kalayaan Avenue, Makati 1210	Biron, Brandt Luke Q./ Record owner is also a Beneficial owner.	Filipino	21,890 10	<b>17.94%</b>
<b>Common Founder</b>		Trustor: Biron, Bryant Paul Q. Unit 903, Pacific Place, Pearl Drive, Ortigas Center, Pasig City	Filipino	21,140 10	
<b>Common Founder</b>		Brother of the Record Owner.		TOTAL 43,030 20	
<b>Common</b>	Oca-Biron, Maria Regina Isabelle D. Ilaya 2nd Dumangas,	Oca-Biron, Ma. Regina Isabelle D./ Record Owner is also a Beneficial Owner	Filipino	60	<b>8.84%</b>

<b>Common Founder</b>	Iloilo	Trustor: Biron, Braedon John Q. Unit 42C Kirov Tower, Estrella St. Rockwell Makati, 1210	Filipino	21,140 10	
<b>Common Founder</b>		Spouse of the Record Owner.		TOTAL 21,200 10	

The following table shows the security ownership of management in the common shares of the Company as of December 31, 2025.

#### INDIVIDUAL DIRECTORS

Class	Names of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
<b>Common Founder</b>	Biron, Ferjenel G.	48,166-Direct 240-Direct	Filipino	<b>20.17%</b>
<b>Common Founder</b>	Samoro, Fredilyn G. (Heirs of Samoro Ronnie: Fredilyn Samoro, Kim Karolyn, Samoro Karmela Marie Samoro Katrina Belle Marie Samoro)	6,748-Direct 20-Direct	Filipino	<b>2.82%</b>
<b>Common Founder</b>		3,452-Indirect Total 10,200 10-Indirect Total 30	Filipino	<b>1.44 %</b>
<b>Common Founder</b>	Lavilla, Meride D.	3,628-Direct 10-Direct	Filipino	<b>1.52%</b>
<b>Common Founder</b>	(Lavilla, Francis G.– Spouse)	2,430–Indirect Total 6,058 10-Indirect Total 20	Filipino	<b>1.02%</b>
<b>Common Founder</b>	(Lavilla, Lou Valerie D.– Daughter)	300– Indirect Total 6,358 10–Indirect Total 20	Filipino	<b>0.12%</b>
<b>Common Founder</b>	(Lavilla, Francine Marie D.– Daughter)	300– Indirect Total 6,658 10–Indirect Total 20	Filipino	<b>0.12%</b>
<b>Common Founder</b>	(Lavilla, Meryll Faith D.– Daughter)	300– Indirect Total 6,958 10–Indirect Total 20	Filipino	<b>0.12%</b>
<b>Common Founder</b>	Regozo, Danilo M.	3,658-Direct 10-Direct	Filipino	<b>1.53%</b>
<b>Common Founder</b>	Villaflor, Agnes Jean M.	3,758-Direct 10-Direct	Filipino	<b>1.57%</b>
<b>Common Founder</b>	Gomez, Lusyl M.	2,771-Direct	Filipino	<b>1.16%</b>

<b>Founder</b>		10-Direct		
<b>Common Founder</b>	Ong Mary Flor G.	3,452-Direct 10-Direct	Filipino	<b>1.44%</b>
<b>Common Founder</b>	Nolasco , Felix P.	2,340-Direct 10-Direct	Filipino	<b>0.98%</b>
<b>Common Founder</b>	Dianco, Felibert O.	3,340 -Direct 10-Direct	Filipino	<b>1.40%</b>
<b>Common Founder</b>	Suplico, Rolex T.	1,990-Direct 10-Direct	Filipino	<b>0.83%</b>
<b>Common Founder</b>	Fernandez, Lemuel T.	1,930-Direct 10-Direct	Filipino	<b>0.81%</b>
<b>Common Founder</b>	Biron, Brandt Luke Q.	21,890-Direct 10-Direct	Filipino	<b>9.12%</b>
<b>Common Founder</b>	Voting Trust Agreement with Bryant Paul Q. Biron (Trustor)	21,140-Indirect 10-Indirect	Filipino	<b>8.81%</b>
<b>Common</b>	Belgira Johanna Marie B.	10-Direct	Filipino	<b>.004%</b>
<b>Common</b>	Debuque, Nathalie Ann F.	10-Direct	Filipino	<b>.004%</b>
<b>Common</b>	Silverio, Lorna C.	500-Direct	Filipino	<b>.21%</b>

#### OTHER EXECUTIVE OFFICERS

<b>Class</b>	<b>Names of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
<b>Common</b>	Cris T. Cortes	None	Filipino	None
<b>Common</b>	Maylene B. Villanueva	10-Direct	Filipino	0.004%
<b>Common</b>	Giovanni A. Delos Reyes	10-Direct	Filipino	0.004%
<b>Common</b>	Therese Marie A. Gerafil	None	Filipino	None
<b>Common Founder</b>	Toni Dinah Cheer D. Fernandez	1,930 <sup>1</sup> -Indirect	Filipino	None

<sup>1</sup> Shares owned by Lemuel Fernandez

Except as disclosed above, none of the Company's other executive officers or department managers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

**VOTING TRUST HOLDERS OF 5.0% OR MORE**

On 15 June 2023, Shareholder Braynt Paul Biron, with 10 Founder shares with par value of Php 10,000.00 and 21,140 common shares with par value of Php 21,140,000 entered into a voting trust agreement with Trustee Brandt Luke Biron for a period of (5) years.

Likewise, on 15 June 2023, Braeden John Biron, with 10 Founder shares with par value of Php 10,000 and 21,140 common shares with par value of Php 21,140,000 entered into a voting trust agreement with Trustee Maria Regina Isabelle Oca-Biron for a period of (3) years. The Securities and Exchange Commission issued a Certificate of Filing of Voting Trust Agreement last 17 March 2025.

The following are some of the rights granted under the Agreement: right to vote upon the stocks; right to be indemnified of the dividends coming into the hands for all costs, charges, expenses and other liabilities properly incurred by him in the exercise of any power conferred upon him; in the event of any trustee dying, resigning, refusing or becoming unable to act, the surviving or the other trustee if any shall appoint a trustee or trustees to fill the vacancy.

**CHANGES IN CONTROL**

There is no arrangement which may result in a change of control of APMCI since 2025.

**Item 12. Certain Relationships and Related Transactions**

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following were carried out with related parties as at December 31, 2025 and 2024.

**Advances to related party:**

	<i>For the Years Ended December 31</i>				Terms and Conditions
		<b>2025</b>	Amount of Transactions	<b>2024</b>	
	<b>Amount of Transactions</b>	<b>Outstanding Balance</b>		<b>Outstanding Balance</b>	
Endure Medical, Inc. <sup>(a)</sup>	<b>(P32,079,869)</b>	<b>P-</b>	P-	P32,079,869	Unsecured, noninterest bearing, demandable, no term, collectible in cash.
TIPP Digital Solutions Inc. <sup>(b)</sup>		<b>6,902,784</b>	-	6,902,784	
Receivable – others (various ACE Hospitals)	-	<b>47,472</b>	-	47,472	
	<b>(P32,079,869)</b>	<b>6,950,256</b>	P-	P39,030,125	

(a) Advances to related parties – Endure Medical, Inc.

The Company engaged the services of an Indentor (Endure Medical, Inc.) which had relatively significant influence over a key management personnel of the Company. The Indentor facilitates the importation and acquisition of medical equipment, furniture, and fixtures for the hospital allotment.

(b) Advances to related parties – TIPP Digital Solutions Inc.

The account represents payments made for the acquisition of Healthcare Management Information System.

## Advances from related party

<i>For the Years Ended December 31</i>						
		<b>2025</b>		<b>2024</b>		
		<b>Amount of Transactions</b>	<b>Outstanding Balance</b>	Amount of Transactions	Outstanding Balance	Terms and Conditions
Phil Pharmawealth, Inc.(c)		<b>P1,000,000</b>	<b>544,871,969</b>	P150,437,000	P543,871,969	Unsecured, noninterest bearing, demandable, no term, payable in cash.
Endure Medical, Inc. (a)		<b>(3,091,827)</b>	<b>60,676,532</b>	18,534,833	63,768,359	
		<b>(P2,091,872)</b>	<b>P605,548,501</b>	P165,971,833	P604,640,328	

(c) Advances from related parties – Phil Pharmawealth, Inc.

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which has significant influence over key management personnel of the Company. The loan was intended to pay off necessary obligations of the company. The loan bears an interest ranging from 6.50%-8.50% per annum and is payable subject to availability of funds. As of the years ended December 31, 2025, and 2024, total related party obligation stands at Php544.87M and Php543.87M, respectively.

## PART IV– CORPORATE GOVERNANCE

### Item 13. Corporate Governance

The Company endeavors to comply with the recommendations set forth in SEC Memorandum Circular No. 24 -Series of 2019. It is committed to a strong corporate governance with transparency and accountability as its hallmarks.

On 27 January 2019, during its first meeting after the issuance of the Permit to Offer Securities, the Board of Directors appointed its Compliance Officer as an initial step in ensuring that it will adhere to the highest standards of good governance. The Company submitted its Manual on Corporate Governance on 27 June 2019.

On 30 September 2020, the Company submitted its Revised Manual on Corporate Governance. It substantially adopted in its Manual on Corporate Governance all the recommendations under SEC Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers (CG Code for PCs and RIs).

To comply with the requirement that the Corporate Secretary must not be a member of the Board of Directors, the Board appointed a new Corporate Secretary during its Organizational meeting on 30 June 2023 to allow the Compliance Officer to focus on compliance matters.

The minor deviations from the recommendations of the CG Code for PCs and RI such as the Executive directors being more than non-executive directors and having three (3) Independent Directors instead of five (5) were necessitated by the fact that the company is just about to operate and there is a need to tighten the purse that is achieved by having a lean manpower in preparation for pre-operation expenses.

To ensure good governance, the Company had its new CEO attend the Strategic Thinking for Board Directors and Leaders conducted by the Center for Global Practices. With the new CEO properly trained, the Board is scheduled to revisit its vision, strategic objectives, key policies, and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance before it commences operation. The Board also makes certain of the presence and adequacy of internal control mechanisms for good governance.

The Company is taking further steps to strengthen adherence principles and practices of corporate governance by sending its Directors in various trainings and programs conducted by the Institute of Directors and

Center for Global Best Practices. The Committee on Corporate Governance is also set to review its Revised Manual on Corporate Governance to ensure compliance with recent regulations and harmonize it with operational requirements.

## **PART V – EXHIBITS AND SCHEDULES**

### **Item 14.** Exhibits and Reports on SEC Form 17-C

#### (a) Exhibits

The 2025 Audited Financial Statements is attached as **Annex "A"** hereto.

#### (b) Reports on Form 17C

A summary list of the reports on Form 17-C filed for the year 2025 is attached as **Annex "B"**

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Iloilo on MAY 28 2026, 2026.

By:

AGNES JEAN M. VILLAFLORES, MD, FPCP, FPSN  
Chief Executive Officer

DANILO C. REGOZO, MD, DFM, FPAFP  
Chief Operations Officer

MARY FLOR GAFATE-ONG, MD, FPCP, FPCEDM  
Corporate Treasurer

THERESE MARIE A. GERAFIL  
Corporate Secretary

CRIS T. CORTES, CPA  
Chief Financial Officer

**MAY 28 2026**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ affiant(s) exhibiting to me his/their VALID IDS, as follows:

NAMES	VALID ID	DATE OF ISSUE	PLACE OF ISSUE
CRIS T. CORTE	TIN #285-504-577-000	October 10, 2018	Iloilo City
THERESE MARIE A. GERAFIL	Roll No.88537	December 22, 2023	Iloilo City
AGNES JEAN M. VILLAFLORES	PRC#0070893	March 02, 1990	Iloilo City
DANILO C. REGOZO	TIN#162-755-820	January 21, 1994	Iloilo City
MARY FLOR GAFATE-ONG	PASSPORT No.P5987110B	December 19, 2020	Iloilo City

**Notary Public**

**ATTY. EDUARDO A. DUERO**  
NOTARY PUBLIC CITY AND PROVINCE OF ILOILO  
LACSON BUILDING, CULASANZ STREET,  
PLAZA LIBERTAD, ILOILO CITY  
NOTARIAL COMMISSION REG. NO. 264  
UNTIL DECEMBER 31, 2025  
ROLL OF ATTORNEY NO. 67032  
PTR No. 9155036 / 01-05-2026 - ILOILO CITY  
IBP No. INV 52899 / 01-05-2026 - PASIG CITY  
MCLE EXEMPTION No. VIII-BEP 003807 / PASIG CITY

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

The management of **Asia Pacific Medical Center – Iloilo, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, 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 returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **Asia Pacific 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.** has filed all the applicable tax returns, reports and statements required to be filed under the 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.

**FERJENEL G. BIRON**  
Chairman of the Board

**AGNES JEAN M. VILLAFLORES**  
President

**MARY FLOR ONG**  
Treasurer

Signed this 12<sup>th</sup> day of May 2026

Republic of the Philippines)  
City of Pasig ) S.S.

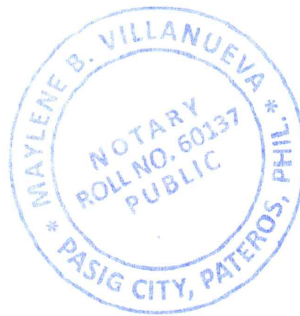
MAY 12 2026

Subscribed and sworn to before me this \_\_\_\_\_, affiants  
exhibiting to me their Competent Evidences of Identity as follows:

Name	Taxpayer Identification Number
Ferjenel G. Biron	127-685-650

Notary Public

Doc. No. 279 ;  
Page No. 57 ;  
Book No. W ;  
Series of 2026.



  
**MAYLENE B. VILLANUEVA**  
NOTARY PUBLIC  
City of Pasig and Municipality of Pateros  
Appointment No. 332 (2025-2026) valid until December 31, 2026  
Roll No. 60137; 03-22-12  
MCLE Compliance VIII-0029185; 04/14/2025  
IBP Lifetime Member 10763; 03-13-12, Iloilo,  
PTR No. AA3978159, 01/05//2026, Pasig City  
Suite 1601, 16th Floor, Teklite East Tower,  
Exchange Road cor. Pearl Drive, Pasig City  
Email Address: mbvnotarypublic@gmail.com



**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, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, 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 returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **Asia Pacific 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.** has filed all the applicable tax returns, reports and statements required to be filed under the 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.

**FERJENEL G. BIRON**  
Chairman of the Board

**AGNES JEAN M. VILLAFLOR**  
President

**MARY FLOR G. ONG**  
Treasurer

MAY 12 2026

Subscribed and sworn to before me this \_\_\_\_\_, affiants  
exhibiting to me their Competent Evidences of Identity as follows:

Name	Taxpayer Identification Number
Agnes Jean M. Villaflor	136-792-228
Mary Flor G.Ong	921-030-310

**ATTY. APRIL GRACE T. GRANDE**  
Notary Public  
For the City and Province of Iloilo  
Notarial Commission Reg. No. 240  
Until December 31, 2026  
2nd Flr., D' Jabez Bldg., #21 Gen. Luna St.,  
Iloilo City, Philippines  
PTR No. 9155051 / Iloilo City / 01/05/2026  
IBP No. 585819 / Pasig City 01/04/2026  
Roll of Attorney's No. 76954  
MCLE Compliance No. VIII-0014696 until 4/14/28

Doc. No. 377 ;  
Page No. 77 ;  
Book No. I ;  
Series of 2026.



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Asia Pacific 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, 2025, 2024 and 2023, in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**FERJENEL G. BIRON**  
Chairman of the Board

**AGNES JEAN M. VILLAFLORES**  
President

**MARY FLOR ONG**  
Treasurer

Signed this 12<sup>th</sup> day of May 2026

Republic of the Philippines)  
City of Pasig ) S.S.

MAY 12 2026

Subscribed and sworn to before me this \_\_\_\_\_, affiants  
exhibiting to me their Competent Evidences of Identity as follows:

Name	Taxpayer Identification Number
Ferjenel G. Biron	127-685-650

Notary Public

Doc. No. 277 ;  
Page No. 57 ;  
Book No. W ;  
Series of 2026.



**MAYLENE B. VILLANUEVA**  
NOTARY PUBLIC  
City of Pasig and Municipality of Pateros  
Appointment No. 332 (2025-2026) valid until December 31, 2026  
Roll No. 60137; 03-22-12  
MCLC Compliance VIII-0029185; 04/14/2025  
IBP Lifetime Member 10763; 03-13-12, Iloilo,  
PTR No. AA3978159, 01/05//2026, Pasig City  
Suite 1601, 16th Floor, Tektite East Tower,  
Exchange Road cor. Pearl Drive, Pasig City  
Email Address: mbvnotarypublic@gmail.com



## 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, 2025, 2024 and 2023, in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**FERJENEL G. BIRON**  
Chairman of the Board

**AGNES JEAN M. VILLAFLO**  
President

**MARY FLOR G. ONG**  
Treasurer

Signed this 12 day of May 2026

MAY 12 2026

Subscribed and sworn to before me this \_\_\_\_\_, affiants  
exhibiting to me their Competent Evidences of Identity as follows:

Name	Taxpayer Identification Number
Agnes Jean M. Villafior	136-792-228
Mary Flor G. Ong	921-030-310

  
ATTY. APRIL GRACE T. GRANDE

For the Province of Iloilo  
Notarial Commission Reg. No. 240  
Until December 31, 2026  
2nd Flr., D' Jabez Bldg., #21 Gen. Luna St.,  
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PTR No. 9155051 / Iloilo City / 01/09/2026  
IBP No. 585819 / Pasig City 01/04/2026  
Roll of Attorney's No. 76954  
MCLE Compliance No. VIII-0014696 until 4/14/28

Doc. No. 376 :  
Page No. 77 :  
Book No. II :  
Series of 2026.

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HI ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ILOILO INC.,

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Transaction Code: **AFS-0-AG8HLHB50AB6E97EAN4XNXVQT0PRVYVP2**  
Submission Date/Time: **May 28, 2026 08:58 PM**  
Company TIN: **008-922-703**

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

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

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

**BERCES-OCAMPO, MENDOZA AND ASSOCIATES**

PRC/BOA Accreditation No. 9534 for the Firm up to August 8, 2028  
PRC/BOA Registered Practitioner No. 9534/P-001 for the Signing Partner up to August 8, 2028  
BIR Accreditation No. 07-000007-006-2026 for the Firm up to January 19, 2029  
BIR Accreditation No. 07-000008-005-2026 for the Signing Partner up to January 19, 2029  
SEC Accreditation No. 9534-SEC, Group A, for the Firm to engage in up to 2026 audit of SEC-covered institutions  
SEC Accreditation No. 71098-SEC, Group A, for the Signing Partner to engage in up to 2026 audit of SEC-covered institutions  
CDA Accreditation No. CEA 158-AF for the Firm up to March 7, 2026  
CDA Accreditation No. CEA 2016 for the Signing Partner up to February 8, 2031

May 14, 2026

The Bureau of Internal Revenue  
BIR Building, Diliman  
Quezon City, Metro Manila

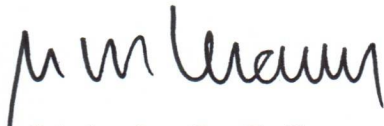
Gentlemen:

In connection with our examination of the statement of financial position of **Asia Pacific Medical Center – Iloilo, Inc.** as of December 31, 2025 and the related statements of comprehensive operation, changes in shareholders' equity, and cash flows for the year then ended, we wish to state that:

1. No partner of our Firm is related by consanguinity or affinity to any of the principal officers or shareholders of the Company.
2. The taxes paid or accrued by the Company during the year are shown in the Schedule of Taxes and Licenses attached to the Corporate Annual Income Tax Return.

**BERCES-OCAMPO, MENDOZA AND ASSOCIATES**

By:



Maria Cristina Josefina B. Ocampo  
Partner  
CPA Registration No. 71098  
TIN 123-047-213  
PTR No. 8353744 D  
Issued January 5, 2026 at Quezon City

PRC/BOA Accreditation No. 9534 for the Firm up to August 8, 2028  
PRC/BOA Registered Practitioner No. 9534/P-001 for the Signing Partner up to August 8, 2028  
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CDA Accreditation No. CEA 158-AF for the Firm up to March 7, 2026  
CDA Accreditation No. CEA 2016 for the Signing Partner up to February 8, 2031

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

The Board of Directors and the Shareholders  
**Asia Pacific Medical Center – Iloilo, Inc.**  
Barangay Ungka, Jaro  
Iloilo City

### *Opinion*

We have audited the financial statements of **Asia Pacific Medical Center – Iloilo, Inc.** which comprise the statement of financial position as of December 31, 2025, and the statements of comprehensive operation, changes in shareholders' equity and cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asia Pacific Medical Center – Iloilo, Inc. as of December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for Audit of Financial Statements* section of our report. We are independent of **Asia Pacific Medical Center – Iloilo, Inc.** in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines (Philippine Code of Ethics)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Other Matter*

The financial statements of the Company for the year ended December 31, 2024 were audited by Dimaculangan, Dimaculangan and Company, CPA's whose report dated April 27, 2025 expressed an unqualified opinion.

### ***Responsibilities of Management and Those Charged with Governance for Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative 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 PSA will always detect a material misstatement when it exists. Misstatement 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 PSA, 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.

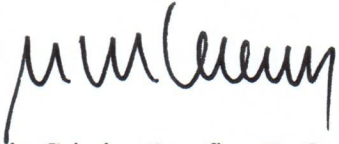
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on Other Legal and Regulatory Requirements***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes in the Notes to the Financial Statements in compliance with RR 15-2010 and RR 34-2020 of the Bureau of Internal Revenue and supplementary schedule of external audit fee-related information in accordance with Securities and Exchange Commission Memorandum Circular 18-2024 are not a required part of the basic financial statements. Such information are the responsibility of the management and have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BERCES-OCAMPO, MENDOZA AND ASSOCIATES

By: 

Maria Cristina Josefina B. Ocampo

Partner

CPA Registration No. 71098

TIN 123-047-213

PTR No. 68353744 D

Issued January 5, 2026 at Quezon City

Metro Manila, Philippines

May 14, 2026

PRC/BOA Accreditation No. 9534 for the Firm up to August 8, 2028  
PRC/BOA Registered Practitioner No. 9534/P-001 for the Signing Partner up to August 8, 2028  
BIR Accreditation No. 07-000007-006-2026 for the Firm up to January 19, 2029  
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CDA Accreditation No. CEA 158-AF for the Firm up to March 7, 2026  
CDA Accreditation No. CEA 2016 for the Signing Partner up to February 8, 2031

### **REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES**

The Board of Directors and the Shareholders  
**Asia Pacific Medical Center – Iloilo, Inc.**  
Barangay Ungka, Jaro  
Iloilo City

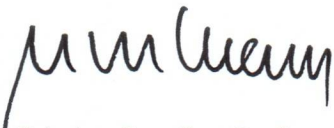
We have audited the financial statements of **Asia Pacific Medical Center – Iloilo, Inc.** for the year ended December 31, 2025, and, in accordance with Philippine Standards on Auditing, have issued our report thereon dated May 14, 2026.

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 Annex 68-J, Reconciliation of Retained Earnings Available for Dividend Declaration, and Schedule of Financial Indicators are the responsibility of the Company's management.

This supplementary schedule is presented for the purpose of complying with the Revised Securities Regulation Code (SRC) Rule No. 68 and is not part of the basic financial statements. This supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

BERCES-OCAMPO, MENDOZA AND ASSOCIATES

By:



Maria Cristina Josefina B. Ocampo  
Partner  
CPA Registration No. 71098  
TIN 123-047-213  
PTR No. 8353744 D  
Issued January 5, 2026 at Quezon City

Metro Manila, Philippines  
May 14, 2026

**ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
*(With Comparative Figures in 2024)*  
(Amounts in Philippine Peso)

<b>ASSETS</b>	<i>Notes</i>	<b>December 31, 2025</b>	December 31, 2024
<b>CURRENT ASSETS</b>			
Cash	<i>4,6,26</i>	<b>23,296,041</b>	13,830,999
Receivables	<i>4,7,26</i>	<b>165,796,569</b>	82,430,163
Advances to contractors and suppliers	<i>4,8</i>	<b>72,449,059</b>	47,576,729
Medical and hospital supplies inventories	<i>4,9</i>	<b>59,994,528</b>	75,662,389
Prepayments and other current assets	<i>4,10</i>	<b>28,714,938</b>	16,812,711
		<b>350,251,135</b>	236,312,991
<b>NON-CURRENT ASSETS</b>			
Property and equipment (net)	<i>4,11</i>	<b>2,357,222,256</b>	2,238,660,948
Advances to related parties	<i>12,26</i>	<b>6,950,256</b>	39,030,125
		<b>2,364,172,512</b>	2,277,691,073
<b>TOTAL ASSETS</b>		<b>2,714,423,647</b>	2,514,004,064
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other liabilities	<i>4,13,26</i>	<b>689,539,570</b>	529,464,018
Loans payable to individuals	<i>14,26</i>	<b>15,703,226</b>	15,703,226
Notes payable - current portion	<i>15,26</i>	<b>191,558,072</b>	15,000,000
		<b>896,800,868</b>	560,167,244
<b>NON-CURRENT LIABILITIES</b>			
Notes payable - net of current portion	<i>15,26</i>	<b>807,792,965</b>	955,594,306
Loans payable to a related party	<i>12</i>	<b>544,871,969</b>	543,871,969
Deferred tax liability	<i>16,18</i>	<b>61,177,093</b>	-
		<b>1,413,842,027</b>	1,499,466,275
<b>TOTAL LIABILITIES</b>		<b>2,310,642,895</b>	2,059,633,519
<b>EQUITY</b>			
Share capital (net)	<i>4,17</i>	<b>240,000,000</b>	239,960,000
Share premium	<i>4,17</i>	<b>958,532,662</b>	957,372,662
Revaluation surplus	<i>16,18</i>	<b>183,531,277</b>	-
Deficit	<i>4,26</i>	<b>(978,283,187)</b>	(742,962,117)
		<b>403,780,752</b>	454,370,545
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,714,423,647</b>	2,514,004,064

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

**ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
*(With Comparative Figures in 2024 and 2023)*  
(Amounts in Philippine Peso)

	Share Capital (Note 16)	Share Premium (Note 16)	Revaluation Surplus (Note 17)	Deficit (Note 1)	Total
<b>EQUITY</b>					
As at January 1, 2023	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)
<b>As at December 31, 2024</b>	<b>239,960,000</b>	<b>957,372,662</b>	<b>-</b>	<b>(742,962,117)</b>	<b>454,370,545</b>
Additional share capital	40,000	-	-	-	40,000
Share premium	-	1,560,000	-	-	1,560,000
Subscription receivable	-	(400,000)	-	-	(400,000)
Appraisal increase (Land)	-	-	183,531,277	-	183,531,277
Net loss for the year	-	-	-	(235,321,070)	(235,321,070)
<b>As at December 31, 2025</b>	<b>240,000,000</b>	<b>958,532,662</b>	<b>183,531,277</b>	<b>(978,283,187)</b>	<b>403,780,752</b>

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

**ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.**  
**STATEMENT OF COMPREHENSIVE LOSS**  
*(With Comparative Figures in 2024 and 2023)*  
(Amounts in Philippine Peso)

	<i>Notes</i>	<b>For the years ended</b>		
		<b>December 31, 2025</b>	December 31, 2024	December 31, 2023
<b>REVENUES</b>	<i>4,19</i>	<b>452,165,666</b>	307,910,026	5,995,365
<b>DIRECT COST</b>	<i>4,20</i>	<b>259,501,745</b>	268,767,300	6,127,455
<b>GROSS INCOME (LOSS)</b>		<b>192,663,921</b>	39,142,726	(132,090)
<b>OTHER INCOME</b>	<i>4,6,21</i>	<b>10,314,981</b>	1,182,734	71,075
<b>GROSS INCOME (LOSS)</b>		<b>202,978,902</b>	40,325,460	(61,015)
<b>OPERATING EXPENSES</b>				
General and administrative expenses	<i>4,22</i>	<b>302,289,389</b>	282,385,327	110,301,610
<b>LOSS FROM OPERATIONS</b>		<b>(99,310,487)</b>	(242,059,867)	(110,362,625)
<b>FINANCE COSTS</b>	<i>4,15</i>	<b>(136,010,583)</b>	(155,699,208)	(36,970,036)
<b>LOSS BEFORE INCOME TAX</b>		<b>(235,321,070)</b>	(397,759,075)	(147,332,661)
<b>INCOME TAX EXPENSE</b>	<i>4,23</i>	-	-	(171)
<b>NET LOSS</b>		<b>(235,321,070)</b>	(397,759,075)	(147,332,832)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<i>16,18</i>	<b>183,531,277</b>	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(51,789,793)</b>	(397,759,075)	(147,332,832)
<b>BASIC LOSS PER SHARE</b>	<i>25</i>	<b>(980.50)</b>	(1,657.61)	(613.99)

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

**ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.**  
**STATEMENT OF CASH FLOWS**  
*(With Comparative Figures in 2024 and 2023)*  
(Amounts in Philippine Peso)

	<i>Notes</i>	<b>December 31, 2025</b>	<b>For the years ended</b>	
			December 31, 2024	December 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss		<b>(235,321,070)</b>	(397,759,075)	(147,332,661)
Adjustments to reconcile loss to net cash used in operating activities:				
Depreciation	<i>4,11</i>	<b>150,719,634</b>	148,272,068	5,394,843
Interest income	<i>4,6,21</i>	<b>(1,002)</b>	(2,106)	(19,158)
Unrealized foreign exchange gain/(loss)	<i>4,6,21</i>	<b>3,505</b>	(310,228)	18,964
Interest expense	<i>4,15</i>	<b>136,010,583</b>	(155,699,208)	(36,970,036)
Operating cash outflows before changes in working capital		<b>51,411,649</b>	(405,498,549)	(178,908,048)
Changes in working capital components:				
Decrease (increase) in current assets:				
Receivables	<i>4,7,26</i>	<b>(83,366,406)</b>	(69,436,588)	(5,520,519)
Advances to contractors and suppliers	<i>4,8</i>	<b>(24,872,330)</b>	10,587,407	1,430,535
Medical and hospital inventories	<i>4,9</i>	<b>15,667,861</b>	(72,952,625)	(2,709,764)
Prepayments and other current assets	<i>4,10</i>	<b>(10,641,610)</b>	(14,036,648)	(1,262,234)
Increase (decrease) in current liabilities:				
Accounts payable and other liabilities	<i>4,13,26</i>	<b>160,075,552</b>	229,246,192	46,267,666
Net cash provided by/(used in) operations		<b>108,274,716</b>	(322,090,811)	(140,702,364)
Income tax paid	<i>4,23</i>	<b>(1,260,617)</b>	(953,920)	(171)
Interest received	<i>4,6,21</i>	<b>1,002</b>	2,106	19,158
<b>Net cash provided by/(used in) operating activities</b>		<b>107,015,101</b>	(323,042,625)	(140,683,377)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Reclassification (Additions) to construction-in-progress	<i>11</i>	-	1,900,987,351	(242,753,148)
Additions to property and equipment	<i>4,11</i>	<b>(24,572,572)</b>	(1,859,376,138)	(85,772,718)
Other non-current assets	<i>13,27</i>	-	(20,000)	171
<b>Net cash provided by/(used in) investing activities</b>		<b>(24,572,572)</b>	41,591,213	(328,525,695)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances to related parties	<i>12,26</i>	<b>32,079,869</b>	-	(3,434,352)
Payments of loans payable to individuals	<i>14,26</i>	-	(4,639,474)	(424,000)
Proceeds from principal on bank loans	<i>15</i>	<b>30,000,000</b>	-	-
Payments of principal on bank loans	<i>15,26</i>	<b>(1,243,269)</b>	(15,000,000)	(13,747,867)

Proceeds on loans payable	15	-	-	112,846,275
Interest paid	4,15	(136,010,583)	155,699,208	36,970,036
Proceeds from loans payable to a related party	15	1,000,000	150,437,000	155,600,000
Additional share capital	4,17	40,000	-	4,290,000
Additional share premium	4,17	-	-	170,612,333
Proceeds from subscription receivable	4,17	1,160,000	3,476,500	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(72,973,983)</b>	289,973,234	462,712,425
<b>NET EFFECT OF EXCHANGE RATE ADJUSTMENTS</b>				
	4,6,21	(3,505)	310,228	(18,964)
<b>NET INCREASE (DECREASE) IN CASH</b>				
		9,465,042	8,832,050	(6,515,611)
<b>CASH, beginning of the year</b>	4,6,26	13,830,999	4,998,949	11,514,560
<b>CASH, END OF THE YEAR</b>	4,6,26	23,296,041	13,830,999	4,998,949
<b>NONCASH INVESTING ACTIVITIES</b>				
Accrued interest payable	4,13,26	-	-	25,635,193
Additions to construction-in-progress	12	-	-	(25,635,193)
		-	-	-

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

## **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

As of and for the years ended December 31, 2025, 2024 and 2023  
(Amounts in Philippine Peso)

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#### **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 should have started 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 Company was granted by the Philippine Health Insurance Corporation of certificate of accreditation as a Level 2 Hospital (Accredited Beds: 100) which was granted on 6<sup>th</sup> day of January 2025 the certificate of which shall be valid from January 1, 2025 to December 31, 2025.

The Company was granted by the Philippine Hospital Association of certificate of membership as a Level 2 Hospital (Accredited Beds: 100) on 20<sup>th</sup> day of December 2024 and this certificate shall be valid from January 1, 2025 to December 31, 2025.

The Company was granted by the Department of Health, as a Level 2 Hospital (Accredited Beds: 100), with license number 06-0023-25-H2-2 and this license to operate shall be valid from January 1, 2025 to December 31, 2025.

On August 2, 2021, and in accordance with the approval of the appropriate regulatory authorities, including the Securities and Exchange Commission, the Company amended its corporate name from Allied Care Experts (ACE) Medical Center – Iloilo, Inc. to Asia Pacific Medical Center – Iloilo, Inc. The change in corporate name did not result in any change in the Company’s legal personality, ownership structure, operations, or principal activities. Accordingly, all rights, obligations, contracts, and commitments previously entered into under the former corporate name

remain valid and enforceable and are deemed to continue under the Company's new registered corporate name.

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

### ***Status of Operations***

The Company commenced full commercial operations of its multi-disciplinary medical facility in 2024. The hospital provides a comprehensive range of services, including in-patient and out-patient care, as well as emergency medical services. Since the start of operations, the respective revenue centers have been activated and progressively scaled to achieve full operational capacity and status.

The activation of these revenue centers reflects the hospital's transition from development to full service delivery, enabling the facility to generate revenues across its core medical disciplines. The commencement of operations in 2024 marked a significant milestone in the Company's strategy to expand its healthcare services and establish a sustainable platform for long-term growth.

The hospital healthcare system is a highly specialized and capital-intensive undertaking. Establishing a multi-disciplinary medical facility requires substantial and sustainable infrastructure investments, which typically take an average of five (5) to seven (7) years after incorporation to complete construction and inaugurate its business line services.

Given the peculiarities of the industry, it generally requires an additional four (4) to five (5) years after inauguration to recover initial capital expenditures and achieve full commercial operations. This extended timeline reflects the scale of investment, the complexity of healthcare infrastructure, and the gradual ramp-up of patient volumes and service utilization.

Against this backdrop, Management is encouraged by the Company's performance. The 47% increase in gross revenues during the current year is well aligned with its projections and demonstrates strong progress toward achieving full competitive status among hospitals in the area. This growth affirms the Company's trajectory toward recovering its initial investments, strengthening its market position, and establishing a sustainable platform for long-term expansion in the healthcare sector.

Management expects continued growth driven by:

- Increasing patient volumes as the hospital builds its reputation and expands its catchment area.
- Diversification of medical services, including specialized care units and advanced diagnostic facilities.
- Operational efficiencies from scaling up revenue centers and optimizing healthcare delivery.
- Competitive positioning within the region, supported by the hospital's modern infrastructure and comprehensive service offerings.

These factors are expected to support the Company's long-term objective of achieving sustainable profitability and securing a strong competitive presence in the healthcare industry.

Management remains confident that the hospital is well-positioned to deliver sustainable healthcare services and long-term value to stakeholders.

## **Authorization for Issuance of the Financial Statements**

The financial statements of the Company as at and for the year ended December 31, 2025, including its comparative figures as at 2024 and 2023, were approved and authorized for issuance by the Board of Directors on May 11, 2026.

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

### **Statement of Compliance**

#### *Basis of Preparation*

The financial statements of the Company have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards which are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations issued by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy (BOA) and adopted by the Securities and Exchange Commission (SEC).

#### *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.

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

### **Adoption of New and Revised Accounting Standards Effective in 2025**

The Company adopted all applicable accounting standards and interpretations as at December 31, 2025. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the Financial and Sustainability Reporting Standards Council (FSRSC) in the Philippines, that were assessed by the Management to be applicable to the Company's financial statements are as follows:

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

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

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

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability* - The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

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

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

*Effective beginning on or after January 1, 2026:*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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 17, *Insurance Contracts* – The standard will replace PFRS 4, Insurance Contracts. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued.

On February 14, 2025, the Financial and Sustainability Reporting Standards Council (FSRSC) has approved the amendment to PFRS 17, Date of Initial application. The amendment further defer the date of initial application of PFRS 17 by an additional two years, to annual periods beginning on or after January 1, 2027.

Under prevailing circumstances, the adoption of the forgoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

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

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

*Deferred effectivity*

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

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**NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES**

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

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; and
- 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 (FVPL).

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)'

on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss.

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

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

#### *Subsequent Measurement*

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

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments); and
- 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), receivables and advances to related parties as at reporting date (see Notes 6, 7 and 12).

#### 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; and
- 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), loans payable to individuals, notes payable and loans payable to a related party (see Notes 12,14, 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 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.

## **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 (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 impairment loss is recognized immediately in the statements of comprehensive loss.

## **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 both measured initially and subsequently presented in the financial statements at cost.

## **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 except land 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.

Land is carried at revalued amounts, being its fair value at the date of revaluation less any subsequent impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Increases in the carrying amount of land arising from revaluation are recognized in equity under "Revaluation Surplus." Decreases that offset previous increases are charged against the surplus; other decreases are recognized in profit or loss. 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 net realizable value 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<sup>1</sup> 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**

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

*Hospital services* – Revenue from in-patient, out-patient, and emergency services is recognized when the services are rendered.

*Sale of medicines and medical goods* – Revenue is recognized at the point in time when control of the goods passes to the customer, generally upon delivery or sale at the hospital pharmacy.

### ***Revenue recognition outside the Scope of PFRS 15***

#### *Interest Income*

Interest income is recognized as it accrues, using the effective interest method under PFRS 9 – Financial Instruments. This approach reflects the effective yield on the related financial asset and allocates interest income over the relevant period in a manner that produces a constant periodic rate of return on the carrying amount of the asset.

#### *Other Income*

Other income pertains to revenues generated from ancillary services and related fees, including charges for medical certificates, send-out services, ambulance services, Clinical Use of Support Areas (CUSA), and privilege-to-practice fees.

### **Costs and Expense Recognition**

The Company presents expenses in the statement of income using the function of expense method. Direct costs represent expenses incurred that are specifically associated with the services rendered, while operating expenses include costs attributable to general, administrative, and other business activities. Expenses are recognized in profit or loss on accrual basis, meaning they are recorded when incurred and not when paid. Costs are matched with related income when association can be directly established, or allocated systematically when benefits are expected to arise over several periods. Expenditures that do not generate future economic benefits are recognized immediately in profit or loss.

### **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 to date no employee is entitled to retirement benefits. The Company 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 are 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.

### **Reclassification of Comparative amounts**

In 2025, certain amounts in the comparative financial statements and notes disclosures have been reclassified to conform with current year's presentation.

Management believes that the foregoing reclassifications would reflect the true nature of the transactions and correct the classification, as well as conform to the prevailing standards, - which did not have any impact on prior year's statement of receipts and expenses and current standing (please refer to Note 13).

Summary of changes on liabilities arising from the reclassification are shown below:

Account	December 31, 2024 (Previously Stated)	Effect	December 31, 2024 (As reclassified)
<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>			
Accounts payable – contractors and suppliers <sup>1)</sup>	P 339,278,543	(68,409,287)	P 270,869,256
Accrued interest payable <sup>2)</sup>	95,515,462		95,515,462

Accounts payable – nontrade <sup>4)</sup>	33,513,950	35,497,050	69,011,000
Retention payable <sup>3)</sup>	42,061,657		42,061,657
Accrued expenses <sup>5)</sup>	13,359,749	3,904,654	17,264,403
Statutory liabilities <sup>6)</sup>	1,737,537		1,737,537
Other payables	3,997,120	29,007,583	33,004,703
<b>TOTAL ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>	<b>529,464,018</b>	<b>–</b>	<b>529,464,018</b>

The reclassifications had no impact on current income tax and deferred tax, as the adjustments were limited to liability accounts only.

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

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

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

### **Judgments in Applying the Company’s Accounting Policies**

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

#### *Business Model Assessment*

Classification and measurement of financial assets depends on the results of the 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, 2025 and 2024.

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

	<b>2025</b>	2024
Cash in banks*	<b>22,446,473</b>	10,956,804
Receivables	<b>165,796,569</b>	82,430,163
	<b>188,243,042</b>	93,386,967

*\*excluding petty cash fund amounting to ₱849,568 as at December 31, 2025 and ₱2,874,195 in 2024.*

#### *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, 2025 and 2024.

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

	2025	2024
Advances to contractors	26,481,056	26,488,134
Advances to suppliers	45,968,003	21,088,595
Medical and hospital supplies inventories	59,994,528	75,662,389
Prepayments and other current assets	28,714,938	16,812,711
Property and equipment (net)	2,357,222,256	2,238,660,948
Advances to related parties	6,950,256	39,030,125
	<b>2,525,331,038</b>	<b>2,417,742,902</b>

#### *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
Building	50 years
Building improvement	50 years
Office equipment	3 - 5 years
Medical equipment	5 years
Hospital equipment	5-10 years
IT equipment and software	5 years
Kitchen tools	3-5 years
Hospital vehicle	5 years

As at December 31, 2025 and 2024, the Company's property and equipment had carrying amounts of ₱2,357,222,256 and ₱2,238,660,948, respectively, as disclosed in Note 11, and includes land and revaluation of the land.

### *Revaluation of Land*

Management exercises judgement in determining whether the revaluation model provides a more reliable measure of the land's value compared to the cost model. This includes assessing the frequency of revaluations, the appropriateness of valuation techniques, and the independence and qualifications of external valuers. Judgement is also applied in deciding whether market transactions used as comparables are sufficiently similar to the Company's land holdings.

The fair value of land is determined based on market evidence of recent transactions for comparable properties. Significant assumptions include:

- Comparable property selection and adjustments for location, size, and use;
- Market conditions prevailing at the valuation date; and
- The absence of restrictions or encumbrances affecting the land's marketability.

Because these assumptions involve estimation, actual outcomes may differ, and future revaluations could result in material changes to the carrying amount of land and the related revaluation surplus.

### *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, 2025 and 2024, Management believes that the recoverable amounts of the Company's property and equipment approximate its carrying amounts. Accordingly, no impairment loss was recognized in both years.

### *Deferred tax assets*

The Company reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company did not recognize net deferred tax assets as at December 31, 2025 and 2024.

Deferred tax assets with full valuation allowance as at December 31, 2025, 2024 and 2023 amounted to ₱203,757,869, ₱168,867,765, and ₱69,505,158, respectively (see Note 23).

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## **NOTE 6 - CASH**

This account consists of:

	2025	2024
Cash in banks	22,446,473	10,956,804
Petty cash fund and cash on hand	849,568	2,874,195
	<b>23,296,041</b>	<b>13,830,999</b>

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 ₱1,002, ₱2,106, and ₱19,158 in 2025, 2024 and 2023, respectively, and is presented as part of "other income" in the statements of comprehensive loss (see Note 22).

Unrealized foreign exchange gain (loss) resulting from translation of foreign currency-denominated cash in bank into Philippine peso amounted to ₱3,505, (₱310,228) and ₱18,964 in 2025, 2024 and 2023, respectively, and is presented as part of "other income" in the statements of comprehensive loss (see Note 22).

#### **NOTE 7 - RECEIVABLES**

This account consists of:

	2025	2024
Accounts receivable-government agencies <sup>1)</sup>	90,686,847	43,765,140
Due from HMO's <sup>2)</sup>	50,848,955	23,223,034
Other receivables <sup>3)</sup>	14,197,241	6,904,128
Deposits <sup>4)</sup>	5,035,000	5,035,000
Advances to employees and officers <sup>5)</sup>	5,028,526	3,502,861
	<b>165,796,569</b>	<b>82,430,163</b>

<sup>1)</sup>Accounts receivable pertains to financial assistance availed of by patients from the Department of Social Welfare and Development (DSWD), Philippine Health Insurance Corporation (PhilHealth) and Philippine Charity Sweepstakes Office (PCSO) and reimbursable to the company.

<sup>2)</sup>Due from HMO's pertains to reimbursements for hospital expenses and doctors' fees availed of by patients who are members of Health Maintenance Organization (HMOs).

<sup>3)</sup>Other receivables – represent promissory notes from local area patients which are collected in installments or staggered payments due within the year.

<sup>4)</sup>Deposits represent payments made by the Company to More Power Corporation, to Iloilo Medical Society, and to the Department of Health in connection with regulatory application requirements for the Company's drug testing services operations. These deposits are expected to be applied or recovered in accordance with the terms and conditions of the related agreements and regulatory requirements.

<sup>5)</sup>Advances to employees and officers represent advances that are deducted directly from payroll.

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 estimated credit loss is required for both years.

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

This account consists of:

	<b>2025</b>	2024
Advances to contractors <sup>1)</sup>	<b>26,481,056</b>	26,488,134
Advances to suppliers <sup>2)</sup>	<b>45,968,003</b>	21,088,595
	<b>72,449,059</b>	47,576,729

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

<sup>2)</sup> Advances to suppliers are downpayments made to suppliers of medical equipment and/or construction materials ordered. The amounts represent 15% - 50% of the total contract price of the items purchased.

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**NOTE 9 - MEDICAL AND HOSPITAL SUPPLIES INVENTORIES**

This account consists of:

	<b>2025</b>	2024
Medical and laboratory supplies <sup>1)</sup>	<b>25,458,660</b>	35,412,213
General hospital maintenance supplies <sup>2)</sup>	<b>20,137,406</b>	22,887,457
Drugs and medicines for sale <sup>3)</sup>	<b>14,398,462</b>	17,362,719
	<b>59,994,528</b>	75,662,389

<sup>1)</sup>Medical 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.

<sup>2)</sup>General hospital maintenance supplies pertain to purchases of cleaning and sanitation supplies for the hospital upkeep and general housekeeping.

<sup>3)</sup>Drugs 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.

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**NOTE 10 - PREPAYMENTS AND OTHER CURRENT OTHERS**

This account consists of:

	<b>2025</b>	2024
Input tax	<b>24,371,398</b>	12,424,124
Prepaid income tax (Note 24)	<b>3,522,368</b>	953,920
Prepaid insurance	<b>821,172</b>	1,535,864
Prepaid taxes and licenses	-	1,898,803
	<b>28,714,938</b>	16,812,711

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**NOTE 11 - PROPERTY AND EQUIPMENT (net)**

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

	Land	Building	Building Improvement	Office Equipment	Medical Equipment	Hospital Equipment	IT Equipment & Software	Kitchen Tools	Hospital Vehicle	Total
<b>Cost:</b>										
At beginning 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
Additions	–	–	74,187	119,988	23,459,584	516,153	402,660	–	–	24,572,572
At end of year	28,291,630	1,836,316,739	107,908	3,547,131	378,891,712	115,213,227	14,238,019	32,215,795	10,478,200	2,419,300,361
<b>Accumulated depreciation:</b>										
At beginning 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
Depreciation	–	36,726,335	15,249	590,365	74,338,896	27,989,028	2,520,962	6,443,159	2,095,640	150,719,634
At end of year	–	73,452,670	19,183	2,166,632	144,752,430	57,894,816	8,777,834	15,531,630	4,191,280	306,786,475
<b>Appraisal increase (Note 17):</b>										
At beginning of year	–	–	–	–	–	–	–	–	–	–
Increase for the year	244,708,370	–	–	–	–	–	–	–	–	244,708,370
At end of year	244,708,370	–	–	–	–	–	–	–	–	244,708,370
<b>Net carrying value,</b>										
December 31, 2025	273,000,000	1,762,864,069	88,725	1,380,499	234,139,282	57,318,411	5,460,185	16,684,165	6,286,920	2,357,222,256

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

No assets were used as collateral for any liability as of December 31, 2025 and 2024.

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. The depreciation expense of medical and hospital equipment amounting to ₱102,327,924 and 99,889,654 in 2025 and 2024 was charged to cost of services (see Note 20).

The Company has a total contract commitment to purchase medical equipment totaling ₱454,370,959 as at December 31, 2023. Advances to ACE hospitals, Endure Medical, Inc. and TIPP Digital Solutions Inc. amounting to ₱39,030,125 (Note 12) was recognized in the books as it represents advance payment for such 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.

During the year, the Company has had its land appraised. The property was inspected on February 8, 2026, and the appraisal report was issued on March 9, 2026 by Cubing Surveying, an independent professional valuer accredited with the Securities and Exchange Commission (SEC). The valuation was performed using the Sales Comparison Approach, which relies on market evidence of recent transactions for comparable properties in the same area. The valuation was determined as of December 31, 2025.

As a result of the appraisal conducted by an independent appraiser, the carrying amount of land increased by ₱244,708,370, which was recognized in equity under Revaluation Surplus in accordance with the applicable financial reporting framework. Accordingly, the land is carried at its revalued amount or fair market value of ₱273,000,000 as of December 31, 2025 (see Notes 11, 16 and 18).

Management has reviewed the carrying values of property and equipment as at December 31, 2025 and 2024, for any impairment. Based on the results of its evaluation, there are no indications that these assets are impaired.

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## NOTE 12 - 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, 2025 and 2024:

### Advances to related parties:

Category	Outstanding	Amount of	Outstanding	Amount of	Outstanding	Terms	Conditions
	Balance	Transactions	Balance	Transactions	Balance		
	2023	2024	2024	2025	2025		
Receivable – others (various ACE hospitals – note 7)	47,472	–	47,472	–	47,472	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
Endure Medical, Inc. (note 7)	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.	6,902,784	–	6,902,784	–	<b>6,902,784</b>	Non-interest bearing, to be collected in cash (b)	Unsecured, unguaranteed, not impaired
	39,030,125	–	39,030,125	<b>(32,079,869)</b>	<b>6,950,256</b>		

**Advances from related parties:**

Category	Outstanding Balance 2023	Amount of Transactions 2024	Outstanding Balance 2024	Amount of Transactions 2025	Outstanding Balance 2025	Terms	Conditions
Accounts Payable - Endure Medical, Inc.	45,233,526	18,534,833	63,768,359	<b>(3,091,827)</b>	<b>60,676,532</b>	Non-interest bearing, to be paid in cash	Unsecured, unguaranteed, not impaired
Loans payable to a related party	393,434,969	150,437,000	543,871,969	<b>1,000,000</b>	<b>544,871,969</b>	Interest bearing, to be paid in cash (c)	Unsecured, unguaranteed, not impaired
	438,668,495	168,971,833	607,640,328	<b>(2,091,827)</b>	<b>605,548,501</b>		

Accounts payable – Endure Medical, Inc. is included under accounts payable – contractors and suppliers amounting to P60,676,532, P63,768,359, and P45,233,526 as of December 31, 2025, 2024, and 2023, respectively (see Note 13).

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

The Company engaged the services of an indenter (Endure Medical, Inc.) which has relatively significant influence over the key management personnel of the Company. The Indenter facilitates the importation and acquisition of medical and hospital equipment, furniture and fixtures for the hospital building under construction (see Note 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 rate ranging from 6.50%-8.50% per annum. Interest incurred for the years ended December 31, 2025, 2024 and 2023 and is reflected in the statements of comprehensive loss amounted to ₱72,419,241, ₱56,927,769, and ₱20,959,616, 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 ₱5,895,813, ₱7,571,693, and ₱3,330,000 for the years ended December 31, 2025, 2024, and 2023, respectively. These amounts are incorporated in the salaries and allowances account in the financial statements.

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### **NOTE 13 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

This account consists of:

	<b>2025</b>	2024
Accounts payable – contractors and suppliers <sup>1)</sup>	<b>308,165,389</b>	270,869,256
Accrued interest payable <sup>2)</sup>	<b>160,840,676</b>	95,515,462
Accounts payable – nontrade <sup>3)</sup>	<b>110,346,682</b>	69,011,000
Retention payable <sup>4)</sup>	<b>40,795,308</b>	42,061,657
Accrued expenses <sup>5)</sup>	<b>6,725,263</b>	17,264,403
Statutory liabilities <sup>6)</sup>	<b>2,999,859</b>	1,737,537
Other payables <sup>7)</sup>	<b>59,666,393</b>	33,004,703
	<b>689,539,570</b>	529,464,018

<sup>1)</sup> 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. This payable also included the related party of Endure Medical, Inc. (see note 12). This account is non-interest bearing, unsecured and non-collateral.

<sup>2)</sup> Accrued interest payable refers to interest expense incurred on loans from bank.

<sup>3)</sup> 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.

<sup>4)</sup> Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. This shall be released to the contractor, net of deductions, if any, upon full completion and turnover of the project and final acceptance by the Company.

<sup>5)</sup> Accrued expenses are normally settled within one year from financial reporting date.

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

<sup>7)</sup> Other payables represent liabilities to suppliers and other parties for which no specific account classification has been designated. This account also includes payables pertaining to reimbursements, patient refunds, advances from officers and employees, and replenishment of the petty cash fund, which are non-interest bearing, non-collateralized, and payable on demand.

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### **NOTE 14 - LOANS PAYABLE TO INDIVIDUALS**

This account constitutes non-interest bearing, non-collateral and demandable obligations to shareholders which was primarily used by the Company to support the preliminary financing aspect

of the construction of the hospital structure amounting to P15,703,226 as of December 31, 2025 and 2024.

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#### NOTE 15 - NOTES PAYABLE

Movement of notes payable as at December 31 is as follows:

	2025	2024
Beginning	970,594,306	985,594,306
Availment	48,756,731	-
Payment	(20,000,000)	(15,000,000)
	<b>999,351,037</b>	970,594,306

Notes payable are presented in the financial statements as follows:

	2025	2024
Current	191,558,072	15,000,000
Non-current	807,792,965	955,594,306
	<b>999,351,037</b>	970,594,306

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 ladderized 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, Land Bank of the Philippines approved the restructuring of the total outstanding balance of Term Loans 1, 3, and 4 amounting to ₱985,594,306. The restructuring extended the repayment period up to seven (7) years from the date of effectivity, with a one (1) quarter grace period on both principal and interest.

In 2024, the Bank further approved Term Loan 6 and a Working Capital Line amounting to ₱70 million and ₱30 million, respectively.

As of December 31, 2025 and 2024, the Company's total outstanding loans and borrowings amounted to ₱999,351,037 and ₱970,594,306, respectively. Correspondingly, interest expense recognized in profit or loss for the years then ended amounted to ₱72,419,241 in 2025 and

₱98,771,439 in 2024. Due to the restructuring arrangement, the finance costs related to these loans cannot be specifically allocated to the hospital building and medical equipment and fixtures.

Since the hospital structure is already in the state of its intended use (operational), the related borrowing costs (finance costs) are no longer allocated, yet rather - charged to and absorbed by operations. Hence, the total finance cost for the years 2025, 2024 and 2023 were presented as follows:

	2025	2024	2023
A. Construction in Progress			
a.) Construction of hospital building	–	–	38,111,109
b.) Medical equipment and fixtures	–	–	16,010,421
Sub-total	–	–	54,121,530
B. Operations	<b>136,010,583</b>	155,699,208	36,970,036
Total	<b>136,010,583</b>	155,699,208	91,091,566

#### NOTE 16 - DEFERRED TAX LIABILITY

Deferred tax liability is measured at the tax rate applied in which the liability is recognized based on the tax regulation rate enacted by the end of the reporting period. It is computed and determined by the product or equivalent of the 25% tax regulation rate as applied to the total revaluation surplus amounting to P244,708,370 and nil as of December 31, 2025 and 2024 (see Note 11).

Deferred tax liability resulting from the revaluation of land is as follows:

	2025	2024
Deferred tax liability	<b>61,177,093</b>	–

#### NOTE 17 - SHARE CAPITAL

Details of the Company's share capital as at December 31, 2025 are as follows:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founder shares	600	600,000
Common shares	239,400	239,400,000
Total authorized share capital	<b>240,000</b>	<b>240,000,000</b>
Subscribed share capital:		
Founder shares	600	600,000
Common shares	239,400	239,400,000
Total subscribed share capital	<b>240,000</b>	<b>240,000,000</b>
Paid-up share capital:		
Founder shares	600	600,000
Common shares	239,400	239,400,000
Total paid-up share capital	<b>240,000</b>	<b>240,000,000</b>

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

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

In 2018, the Company filed a Registration Statement covering the 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 SEC’s approval, the Company issued a total of **THIRTY-SIX THOUSAND (36,000)** 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 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.

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#### **NOTE 18 - REVALUATION SURPLUS**

The Company’s revaluation surplus amounting to ₱244,708,370 is the difference between the market value of ₱273,000,000 and the land’s initial cost as at December 31, 2025. The valuation of its parcels of land was performed by independent appraisers and reflected in its report of March 2026 covering December 31, 2025. The fair value was determined by reference to market transactions on an arm’s length term at the date of valuation (see Notes 11 and 16).

The value of the parcels of land was arrived at using a combination of cost and market (or direct sales comparison) approach. Cost approach is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. Market data approach is an appraisal technique in which the market value estimate is predicted based upon prices paid in actual market transactions and current listings, the former fixing the lower limit of value in a static or advancing market (pricewise) and fixing the higher limit of value in a declining market; and the latter fixing the higher limit in any market.

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#### **NOTE 19 - REVENUES**

Revenues for the year ended are as follows:

	2025	2024	2023
Sale of services	514,069,665	349,859,649	7,024,531
Sale of goods	5,847,025	2,952,362	55,823
	<b>519,916,690</b>	352,812,011	7,080,354
Less: Sales discount on services	(67,672,300)	(43,380,347)	(954,589)
Sales discount on goods	(46,026)	(1,221,433)	(21,006)
Sales return and allowances	(32,698)	(300,205)	(109,394)
	<b>(67,751,024)</b>	(44,901,985)	(1,084,989)
<b>Net Revenues</b>	<b>452,165,666</b>	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.

An analysis in the timing of revenue recognition is as follows:

	2025	2024	2023
Revenue recognized over the period of time	452,165,666	307,910,026	5,995,365

#### **NOTE 20 - DIRECT COSTS**

This account consists of the following:

	2025	2024	2023
Cost of hospital services:			
Hospital supplies	136,033,287	102,251,913	1,379,238
Depreciation	102,327,924	99,889,654	–
Salaries and wages	21,140,534	37,167,173	1,055,245
Professional fees	–	27,184,394	3,644,291
Utilities	–	2,274,166	48,681
	<b>259,501,745</b>	268,767,300	6,127,455

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

#### **NOTE 21 - OTHER INCOME**

Details of account consist of:

	2025	2024	2023
Unrealized foreign exchange gain (Note 6)	3,505	(310,228)	18,964
Interest income (Note 6)	1,002	2,106	19,158
Other income	10,310,474	1,490,856	32,953
	<b>10,314,981</b>	1,182,734	71,075

Other income pertains to revenues generated from ancillary services and related fees, including charges for medical certificates, send-out services, ambulance services, Clinical Use of Support Areas (CUSA), and privilege-to-practice fees.

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## NOTE 22 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of accounts consist of:

	<i>Notes</i>	<b>2025</b>	2024	2023
Salaries and allowances		<b>111,313,162</b>	87,491,420	65,369,297
Utilities		<b>54,800,309</b>	51,738,090	8,323,809
Depreciation	<i>11</i>	<b>48,391,711</b>	48,382,414	5,394,843
Professional and legal fees		<b>25,287,779</b>	33,272,069	1,193,873
SSS, PHIC and HDMF contributions		<b>13,743,882</b>	14,586,982	7,865,598
Security services		<b>12,334,776</b>	8,684,813	3,074,911
Housekeeping		<b>9,322,573</b>	8,415,291	460,633
Office supplies		<b>7,827,951</b>	8,509,166	3,501,593
Taxes and licenses		<b>5,802,631</b>	6,926,145	7,417,040
Repairs and maintenance		<b>4,239,547</b>	901,410	786,245
Insurance		<b>2,465,225</b>	2,305,495	445,426
Communication		<b>1,110,669</b>	811,393	511,602
Transportation and travel		<b>1,002,276</b>	1,190,229	305,828
Board meetings and conferences		<b>341,050</b>	4,862,485	2,257,500
Entertainment and representation		<b>313,229</b>	292,075	9,612
Trainings and seminars		<b>255,299</b>	954,891	1,418,787
Advertising		<b>104,984</b>	749,906	605,967
Rental		<b>18,947</b>	44,211	3,500
Miscellaneous		<b>3,613,389</b>	2,266,842	1,355,546
		<b>302,289,389</b>	282,385,327	110,301,610

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## NOTE 23 - INCOME TAX

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

<b>I. Regular Corporate Income tax (RCIT)</b>	<b>2025</b>	2024	2023
Loss before income tax	<b>(235,321,070)</b>	(397,759,075)	(147,332,832)
Add (deduct) reconciling items:			
Interest expense arbitrage	<b>251</b>	526	4,789
Unrealized forex gain (Notes 6 and 20)	<b>(3,505)</b>	310,228	(18,964)
Interest income subjected to final tax (Notes 6,21)	<b>(1,002)</b>	(2,106)	(19,158)
Taxable loss	<b>(235,325,326)</b>	(397,450,427)	(147,365,993)
Tax rate	<b>25%</b>	25%	25%
<b>Tax Assets</b>	<b>(58,831,332)</b>	(99,362,607)	(36,841,498)

In accordance with its registration with the Board of Investment (BOI), the Company is granted an Income Tax Holiday (ITH) for a period of six (6) years, effective from December 8, 2023 to December 8, 2029.

During this incentive period, the Company's registered activities are exempt from the Regular Corporate Income Tax (RCIT) and the Minimum Corporate Income Tax (MCIT) of 2% on gross income. This tax incentive is subject to the Company's continued compliance with the terms and conditions as set forth in its registration agreement and the requirements of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (see Note 1).

## II. Tax Due (RCIT or MCIT whichever is higher)

	2025	2024	2023
RCIT or MCIT	–	–	–
Less: Tax credits or payments			
Prior years excess tax credits	(953,920)	–	–
Quarterly income tax payments (1 <sup>st</sup> -3 <sup>rd</sup> quarter)	–	–	–
Creditable withholding tax (1 <sup>st</sup> - 3 <sup>rd</sup> quarter)	(2,126,309)	–	–
Creditable withholding tax (4 <sup>th</sup> quarter)	(442,139)	(953,920)	–
<b>Prepaid Income Tax (Note 10)</b>	<b>(3,522,368)</b>	<b>(953,920)</b>	–

## III. Net Operating Loss Carry-Over (NOLCO)

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).

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
<b>NOLCO</b>						
2020	2025	43,425,573	–	(43,425,573)	–	–
2021	2026	34,889,728	–	–	–	34,889,728
		<b>78,315,301</b>	–	<b>(43,425,573)</b>	–	<b>34,889,728</b>

On June 30, 2022 the NOLCO carry over period was reverted back to three years. Thus, as at December 31, 2025, NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
<b>NOLCO</b>						
2022	2025	34,889,728	52,339,339	(52,339,339)	–	34,889,728
2023	2026	–	147,365,993	–	–	182,255,721
2024	2027	–	397,450,427	–	–	579,706,148
<b>2025</b>	<b>2028</b>	–	<b>235,325,326</b>	–	–	<b>815,031,474</b>
		<b>34,889,728</b>	<b>832,481,085</b>	<b>(52,339,339)</b>	–	<b>815,031,474</b>

## IV. Deferred Tax Assets

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

	2025	2024	2023
NOLCO	<b>815,031,474</b>	675,471,060	278,020,633
Tax rate	<b>25%</b>	25%	25%
	<b>203,757,869</b>	168,867,765	69,505,158

MCIT	—	—	—
	<b>203,757,869</b>	168,867,765	69,505,158
Valuation allowance (Note 5)	<b>(203,757,869)</b>	(168,867,765)	(69,505,158)
Deferred tax asset (other noncurrent assets)	—	—	—

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.

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#### NOTE 24 - LEASES

The Company has adopted PFRS 16. However, the Company does not have lease arrangements for its building, as the property is owned by the Company and recognized as part of property and equipment.

As of the reporting date, the Company has no significant lease contracts that would require recognition of right-of-use assets and lease liabilities. Accordingly, the impact of PFRS 16 on the financial statements is not material.

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#### NOTE 25 - BASIC LOSS PER SHARE

Basic loss per share is computed as follows:

	2025	2024	2023
Loss attributable to ordinary shares	<b>(235,321,070)</b>	(397,759,075)	(147,332,832)
Divide by: Weighted average number of ordinary shares outstanding	<b>240,000</b>	239,960	239,960
Basic loss per share	<b>(980.50)</b>	(1,657.61)	(613.99)

There are no potential dilutive ordinary shares outstanding as at December 31, 2025, 2024 and 2023.

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#### NOTE 26 - 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, advances to related parties 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.

	<b>As at December 31, 2025</b>			<b>Total</b>
	<b>Financial assets at amortized cost</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL – not credit impaired</b>	<b>Lifetime ECL – credit impaired</b>	
<b>Cash in banks*</b>	<b>22,446,473</b>	–	–	<b>22,446,473</b>
<b>Receivables</b>	<b>165,796,569</b>	–	–	<b>165,796,569</b>
	<b>188,243,042</b>	–	–	<b>188,243,042</b>

\*Excluding petty cash fund amounting to ₱849,568 as at December 31, 2025.

As at December 31, 2024				
	Financial assets at amortized cost			
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
		– not credit impaired	– credit impaired	
Cash in banks*	10,956,804	–	–	10,956,804
Receivables	82,430,163	–	–	82,430,163
	93,386,967	–	–	93,386,967

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

### **Interest Rate Risk**

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

The 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, 14 and 15).

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, 2025

	On Demand	Within 1 year but less than 5 years	More than 1 year but less than 5 years	More than 5 years	Total
<b>Financial Assets:</b>					
Cash*	22,446,473	–	–	–	22,446,473
Receivable - others	165,796,569	–	–	–	165,796,569
Advances to related parties	6,950,256	–	–	–	6,950,256
	195,193,298	–	–	–	195,193,298

\*Excluding petty cash fund and cash on hand amounting to ₱849,568 December 31, 2025.

	On Demand	Within 1 year but less than 5 years	More than 1 year but less than 5 years	More than 5 years	Total
<b>Financial Liabilities:</b>					
Accounts payable and other liabilities***	308,520,389	378,019,323	–	–	686,539,712
Loans payable to individuals	–	15,703,226	–	–	15,703,226
Loans payable to a related party	–	–	544,871,969	–	544,871,969
Notes payable	191,558,072	–	807,792,965	–	999,351,037
	<b>500,078,461</b>	<b>393,722,549</b>	<b>1,352,664,934</b>	<b>–</b>	<b>2,246,465,944</b>

\*\*\*Excluding government liabilities amounting to ₱2,999,859 as at December 31, 2025.

As at December 31, 2024

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
<b>Financial Assets:</b>					
Cash*	10,956,804	–	–	–	10,956,804
Receivable - others	82,430,163	–	–	–	82,430,163
Advances to related parties	39,030,125	–	–	–	39,030,125
	132,417,092	–	–	–	132,417,092

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

<b>Financial Liabilities:</b>					
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	179,811,684	1,499,466,275	–	2,057,895,982

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

## FAIR VALUES OF FINANCIAL INSTRUMENTS

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

	As at December 31, 2025		As at December 31, 2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
<b>Financial Assets:</b>				
Cash*	22,446,473	22,446,473	10,956,804	10,956,804
Receivable - others	165,796,569	165,796,569	82,430,163	82,430,163
Advances to related parties	6,950,256	6,950,256	39,030,125	39,030,125
	<b>195,193,298</b>	<b>195,193,298</b>	132,417,092	132,417,092

\*Excluding petty cash fund and cash on hand amounting to ₱849,568 and ₱2,874,195 as at December 31, 2025 and 2024.

**Financial Liabilities:**

Accounts payable and other liabilities***	<b>686,539,712</b>	<b>686,539,712</b>	527,726,481	527,726,481
Loans payable to individuals	<b>15,703,226</b>	<b>15,703,226</b>	15,703,226	13,703,226
Loans payable to a related party	<b>544,871,969</b>	<b>544,871,969</b>	543,871,969	540,871,969
Notes payable	<b>999,351,037</b>	<b>999,351,037</b>	970,594,306	975,594,306
	<b>2,246,465,944</b>	<b>2,246,465,944</b>	2,057,895,982	2,057,895,982

\*\*\*Excluding government liabilities amounting to ₱2,999,859 and ₱1,737,537 as at December 31, 2025 and 2024, 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:

	<b>As at December 31, 2025</b>		
	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Un- observable Inputs (Level 3)</b>
<b>Financial Assets:</b>			
Cash*	-	<b>22,446,473</b>	-
Receivable – others	-	<b>165,796,569</b>	-
	-	<b>188,243,042</b>	-

\*Excluding petty cash fund and cash on hand amounting to ₱849,568 as at December 31, 2025.

As at December 31, 2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
<b>Financial Liabilities:</b>			
Accounts payable and other liabilities***	–	686,539,712	–
Loans payable to individuals	–	15,703,226	–
Loans payable to a related party	–	544,871,969	–
Notes payable	–	999,351,037	–
	–	<b>2,246,465,944</b>	–

\*\*\*Excluding government liabilities amounting to ₱2,999,859 as at December 31, 2025.

As at December 31, 2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
<b>Financial Assets:</b>			
Cash*	–	10,956,804	–
Receivable – others	–	82,430,163	–
	–	93,386,967	–

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

<b>Financial Liabilities:</b>			
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	–
	–	<b>2,057,895,982</b>	–

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

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

## CAPITAL MANAGEMENT

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

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

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

	2025	2024
Share capital	240,000,000	239,960,000
Share premium	958,532,662	957,372,662
Revaluation surplus	183,531,277	-

Deficit	<b>(978,283,187)</b>	(742,962,117)
	<b>403,780,752</b>	454,370,545

The loan agreement with Landbank (Note 16) 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.

## FINANCIAL RATIOS

The following were the financial ratios of the Company for the years ended December 31, 2025, and 2024:

Particulars	2025	2024
Current ratio	<b>0.39</b>	0.42
Solvency ratio	<b>1.17</b>	1.22
Debt to-equity	<b>5.72</b>	4.53
Asset to equity	<b>6.72</b>	5.53
Return on equity	<b>(0.55)</b>	(0.61)
Return on assets	<b>(0.090)</b>	(0.16)

Computation of the above financial ratios are as follows:

- Current ratio = Current assets divided by current liabilities
- Solvency ratio = Total assets divided by total liabilities
- Debt-to-equity = Total liabilities divided by total equity
- Asset-to-equity = Total assets divided by total equity
- Return on equity = Net income divided by average total equity for the periods indicated
- Return on assets = Net income divided by average total assets for the periods indicated

## **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 Standards is presented as follows:

### **Output Value-Added Tax**

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

	<b>2025</b>
Exempt sales	346,939,834
Vatable sales	2,709,043
VAT rate	12%
	<b>325,085</b>

### **Input Value-Added Tax**

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

	<b>2025</b>
At beginning of year	12,424,126
Current purchases and payments for:	
Domestic purchase of capital goods not exceeding 1M	-
Domestic purchase of capital goods exceeding 1M	-
Domestic purchase of goods other than capital goods	6,956,177
Domestic purchases of services	5,316,180
<b>At end of year</b>	<b>24,696,483</b>

Computation of Net VAT payable is as follows:

	<b>2025</b>
Output VAT payable	325,085
Less: Input VAT claimed	(24,696,483)
Excess Input VAT for the year	(24,371,398)
Less: Payments made during the year	-
<b>Input VAT Carry-over (Note 10)</b>	<b>(24,371,398)</b>

### **Documentary Stamp Tax**

Documentary stamp tax paid by the Company during the year amounted to ₱3,417,800 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:

	<b>2025</b>
Documentary Stamp Tax	3,417,800
Real Property Tax	1,942,564
Land Registration Authority	316,326
Business Permit Fee	87,724
Community Tax Certificate	10,480
Others	27,737
	<b>5,802,631</b>

### **Withholding Taxes**

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

	<b>2025</b>
Compensation withholding tax	<b>343,493</b>
Expanded withholding tax	<b>8,923,991</b>
	<b>9,267,484</b>

### **Deficiency Tax Assessment and Tax Cases**

The Company has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in court or bodies outside the Bureau of Internal Revenue as of December 31, 2025.

#### ***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, NC.**  
*(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)*  
 As at December 31, 2025

### Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash	N/A	23,296,041	N/A	2,106
Receivable - others	N/A	165,796,569	N/A	N/A
Other non-current assets*	N/A	-	N/A	N/A

\*excluding deferred tax assets

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

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
Endure Medical, Inc.	32,079,869	-	(32,079,869)	N/A	-	N/A	-
TIPP Digital Solutions, Inc.	6,902,784	-	N/A	N/A	6,902,784	N/A	6,902,784

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

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

### Schedule D. Long –Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” in related statement of financial position
Non-interest-bearing Notes Payable	999,351,037	191,558,072	807,792,965

### 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
Loans payable to a related party	543,871,969	544,871,969
Accounts payable	63,768,359	60,676,532

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

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

### Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Founder’s Shares	600	600	-	-	60	-
Common Shares	240,000	240,000	-	-	60	-

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

As at December 31, 2025

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

<b>Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning of the year</b>	<b>(742,962,117)</b>
<b>Add: Net Income (Loss) actually earned/realized during the period</b>	
Net loss during the period closed to Retained Earnings	(235,321,070)
<b>Less: Non-actual/unrealized income net of tax</b>	
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	-
<b>Add: Non-actual Losses</b>	
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	-
<b>Net Income (Loss) Actually Earned During the Period</b>	<b>(235,321,070)</b>
<b>Add (Less):</b>	
Dividend declarations during the period	-
Appropriations of Retained Earnings during the period	-
Reversals of appropriations	-
Effects of prior period adjustments	-
Treasury Shares	-
Sub-total	-
<b>TOTAL RETAINED EARNINGS, END OF THE PERIOD AVAILABLE FOR DIVIDEND</b>	<b><u><u>(978,283,187)</u></u></b>

## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

**ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.**  
*(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)*  
**As of December 31, 2025**

<b>Ratio</b>	<b>Formula</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b><u>Liquidity Ratios:</u></b>			
Current Ratio	Current Assets	<b>350,251,135</b>	236,312,991
	Current Liabilities	<b>896,800,868</b>	560,167,244
		<b>0.39:1</b>	0.42:1
Quick Ratio	Quick Assets	<b>189,092,610</b>	96,261,162
	Current Liabilities	<b>896,800,868</b>	560,167,244
		<b>0.21:1</b>	0.17:1
<b><u>Solvency Ratios:</u></b>			
Debt-to-Asset Ratio	Total Liabilities	<b>2,310,642,895</b>	2,059,633,519
	Total Assets	<b>2,714,423,647</b>	2,514,004,064
		<b>0.85</b>	0.82
Debt-to-Equity Ratio	Total Liabilities	<b>2,310,642,895</b>	2,059,633,519
	Total Equity	<b>403,780,752</b>	454,370,545
		<b>5.72:1</b>	4.53:1
Asset-to-Equity Ratio	Total Assets	<b>2,714,423,647</b>	2,514,004,064
	Total Equity	<b>403,780,752</b>	454,370,545
		<b>6.72:1</b>	5.53:1
<b><u>Profitability Ratios:</u></b>			
Interest Rate Coverage Ratio	Net Income (Loss) Before Interests and	<b>(99,310,487)</b>	(242,059,867)
	Interest Expense	<b>136,010,583</b>	155,699,208
		<b>-73.02%</b>	-155.47%
Return on Equity	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Average Total Equity	<b>429,075,648</b>	454,370,545
		<b>-54.84%</b>	-87.54%
Return on Assets	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Average Total Assets	<b>2,614,213,855</b>	2,514,004,064
		<b>-9.00%</b>	-15.82%
Net Profit Margin	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Revenues	<b>452,165,666</b>	307,910,026
		<b>-52.04%</b>	-1.291802934

## SCHEDULES

**ASIA PACIFIC MEDICAL CENTER – ILOILO, NC.**  
*(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)*  
 As at December 31, 2025

### Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash	N/A	23,296,041	N/A	2,106
Receivable - others	N/A	165,796,569	N/A	N/A
Other non-current assets*	N/A	-	N/A	N/A

\*excluding deferred tax assets

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

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
Endure Medical, Inc.	32,079,869	-	(32,079,869)	N/A	-	N/A	-
TIPP Digital Solutions, Inc.	6,902,784	-	N/A	N/A	6,902,784	N/A	6,902,784

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

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

### Schedule D. Long –Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” in related statement of financial position
Non-interest-bearing Notes Payable	999,351,037	191,558,072	807,792,965

### 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
Loans payable to a related party	543,871,969	544,871,969
Accounts payable	63,768,359	60,676,532

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

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

### Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Founder’s Shares	600	600	-	-	60	-
Common Shares	240,000	240,000	-	-	60	-

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

As at December 31, 2025

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

<b>Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning of the year</b>	<b>(742,962,117)</b>
<b>Add: Net Income (Loss) actually earned/realized during the period</b>	
Net loss during the period closed to Retained Earnings	(235,321,070)
<b>Less: Non-actual/unrealized income net of tax</b>	
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	-
<b>Add: Non-actual Losses</b>	
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	-
<b>Net Income (Loss) Actually Earned During the Period</b>	<b>(235,321,070)</b>
<b>Add (Less):</b>	
Dividend declarations during the period	-
Appropriations of Retained Earnings during the period	-
Reversals of appropriations	-
Effects of prior period adjustments	-
Treasury Shares	-
Sub-total	-
<b>TOTAL RETAINED EARNINGS, END OF THE PERIOD AVAILABLE FOR DIVIDEND</b>	<b><u><u>(978,283,187)</u></u></b>

## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

**ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.**  
*(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)*  
**As of December 31, 2025**

<b>Ratio</b>	<b>Formula</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b><u>Liquidity Ratios:</u></b>			
Current Ratio	Current Assets	<b>350,251,135</b>	236,312,991
	Current Liabilities	<b>896,800,868</b>	560,167,244
		<b>0.39:1</b>	0.42:1
Quick Ratio	Quick Assets	<b>189,092,610</b>	96,261,162
	Current Liabilities	<b>896,800,868</b>	560,167,244
		<b>0.21:1</b>	0.17:1
<b><u>Solvency Ratios:</u></b>			
Debt-to-Asset Ratio	Total Liabilities	<b>2,310,642,895</b>	2,059,633,519
	Total Assets	<b>2,714,423,647</b>	2,514,004,064
		<b>0.85</b>	0.82
Debt-to-Equity Ratio	Total Liabilities	<b>2,310,642,895</b>	2,059,633,519
	Total Equity	<b>403,780,752</b>	454,370,545
		<b>5.72:1</b>	4.53:1
Asset-to-Equity Ratio	Total Assets	<b>2,714,423,647</b>	2,514,004,064
	Total Equity	<b>403,780,752</b>	454,370,545
		<b>6.72:1</b>	5.53:1
<b><u>Profitability Ratios:</u></b>			
Interest Rate Coverage Ratio	Net Income (Loss) Before Interests and	<b>(99,310,487)</b>	(242,059,867)
	Interest Expense	<b>136,010,583</b>	155,699,208
		<b>-73.02%</b>	-155.47%
Return on Equity	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Average Total Equity	<b>429,075,648</b>	454,370,545
		<b>-54.84%</b>	-87.54%
Return on Assets	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Average Total Assets	<b>2,614,213,855</b>	2,514,004,064
		<b>-9.00%</b>	-15.82%
Net Profit Margin	Net Profit (Loss)	<b>(235,321,070)</b>	(397,759,075)
	Revenues	<b>452,165,666</b>	307,910,026
		<b>-52.04%</b>	-1.291802934

**Republic of the Philippines**  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

**BIR Form No. 1702-EX**  
January 2018 (ENCS) v2  
Page 1

**Annual Income Tax Return**  
Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income  
*Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".  
Two copies MUST be filed with the BIR and one held by the taxpayer.*

1702-EX 01/18ENCS v2 P1

1 For  Calendar  Fiscal    3 Amended Return?  Yes  No    4 Short Period Return  Yes  No    5 Alphanumeric Tax Code (ATC)  
 2 Year Ended (MM/20YY) 12/2025     IC 011 Exempt Corporation on Exempt Activities   
 IC 021 General Professional Partnership

**Background Information**

6 Taxpayer Identification Number (TIN) 008 - 922 - 703 - 0000    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) 12/10/2024    11 Contact Number 3202232  
 12 Email Address apmci.taxcompliance@gmail.com  
 13 Method of Deductions  Itemized Deductions [Section 34 (A-J), NIRC]     Optional Standard Deduction (OSD) - 40% of Gross Income [applicable only to General Profession Partnership (GPP) per RA No. 10963]  
 14 Legal Basis of Tax Relief / Exemption (Specify) RA NO. 11534 OR CREATE ACT    15 Investment Promotion Agency (IPA) / Government Agency (specify)  
BOARD OF INVESTMENTS  
 16 Registered Activity / Program (Registration Number) PSIC 86121 OR 2023-065    17 Effectivity Date of Tax Relief / Exemption (MM/DD/YYYY)  
 From 12/08/2023 To 12/08/2029

**PART II - TOTAL TAX PAYABLE** (DO NOT ENTER CENTAVOS; 49 centavos or less drop down; 50 or more round up)

18 Tax Due (From Part IV Item 41)	0.00
19 Less: Total Tax Credits/Payments (From Part IV Item 50)	3,522,368.00
20 Total (Overpayment) (Item 18 Less Item 19) (From Part IV Item 51)	-3,522,368.00
21 Add: Penalty - Compromise	0.00
22 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 20 & 21)	-3,522,368.00

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

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

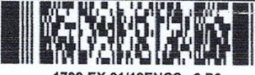
23 Number of Attachments 00


Signature over Printed Name of President/Principal Officer/Authorized Representative: CRISTOPHER T. SCORTEC  
 Signature over Printed Name of Treasurer/Assistant Treasurer: \_\_\_\_\_  
 Title of Signatory: \_\_\_\_\_ TIN: \_\_\_\_\_    Title of Signatory: \_\_\_\_\_ TIN: \_\_\_\_\_

**Part III - Details of Payment**

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

Machine Validation / Revenue Official Receipt Details [if not filed with an Authorized Agent Bank (AAB)]    Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. <b>1702-EX</b> January 2018 (ENCs) v2 Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income	 1702-EX 01/18ENCs v2 P2
TIN 008 922 703 0000	Registered Name ASIA PACIFIC MEDICAL CENTER - ILOILO INC.	
<b>Part IV - Computation of Tax</b>		
(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)		
28 Sales/Receipts/Revenues/Fees		519,916,690.00
29 Less: Sales Returns, Allowances and Discounts		67,751,024.00
30 Net Sales/Receipts/Revenues/Fees (Item 28 less Item 29)		452,165,666.00
31 Less: Cost of Sales/Services		259,501,745.00
32 Gross Income from Operation (Item 30 Less Item 31)		192,663,921.00
33 Add: Other Income		10,310,474.00
34 Total Gross Income (Sum of Items 32 and 33)		202,974,395.00
Less: Deductions Allowable under Existing Law		
<b>A. Itemized Deduction</b>		
35 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)		438,299,721.00
36 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)		0.00
37 Total Itemized Deductions (Sum of Items 35 and 36)		438,299,721.00
<b>B. Optional Standard Deduction (OSD)</b>		
38 OSD (40% of Item 34)(applicable to GPP per RA No. 10963)		0.00
39 Net Taxable Income / (Loss) (If Itemized: Item 34 Less Item 37;) If OSD: Item 34 Less Item 38)		-235,325,326.00
40 Tax Rate		0.00 %
41 Tax Due (Item 39 x Item 40) (To Part II Item 18)		0.00
Less: Tax Credits / Payments (attach proof)		
42 Prior Year's Excess Credits		953,920.00
43 Income Tax Payment from Previous Quarter/s		0.00
44 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		2,126,309.00
45 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		442,139.00
46 Foreign Tax Credits, if applicable		0.00
47 Tax Paid in Return Previously Filed, if this is an Amended Return		0.00
Other Tax Credits / Payments (specify)		
48		0.00
49		0.00
50 Total Tax Credits / Payments (Sum of Items 42 to 49) (To Part II Item 19)		3,522,368.00
51 Total (Overpayment) (Item 41 Less Item 50) (To Part II Item 20)		-3,522,368.00
<b>Part V - Tax Relief Availment</b>		
52 Regular Income Tax Otherwise Due (Item 39 of Part IV x Applicable Income Tax Rate)		0.00
53 Special Allowable Itemized Deductions (Item 36 of Part IV x Applicable Income Tax Rate)		0.00
54 Total Tax Relief Availment (Sum of Items 52 and 53)		0.00

BIR Form No. <b>1702-EX</b> January 2018 (ENCs) v2 Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income	 1702-EX 01/18ENCs v2 P3	
Tax Identification Number (TIN) 008 922 703 0000	Registered Name ASIA PACIFIC MEDICAL CENTER - ILOILO INC.		
<b>Part VI - Schedules</b>			
<b>Schedule 1 - Ordinary Allowable Itemized Deductions</b> (attach additional sheet/s, if necessary)		(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)	
1 Ammortizations		0.00	
2 Bad Debts		0.00	
3 Charitable and Contributions		0.00	
4 Depletion		0.00	
5 Depreciation		48,391,711.00	
6 Entertainment, Amusement and Recreation		0.00	
7 Fringe Benefits		0.00	
8 Interest		136,010,583.00	
9 Losses		0.00	
10 Pension Trusts		0.00	
11 Rental		18,947.00	
12 Research and Development		0.00	
13 Salaries, Wages, and Allowances		111,313,162.00	
14 SSS, GSIS, Philhealth, HDMF, and Other Contributions		13,743,882.00	
15 Taxes and Licenses		5,802,631.00	
16 Transportation and Travel		1,002,276.00	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s) if necessary]			
a Janitorial and Messengerial Services		0.00	
b Professional Fees		25,287,779.00	
c Security Services		12,334,776.00	
d UTILITIES		54,800,309.00	
e OFFICE SUPPLIES		7,827,951.00	
f REPAIRS AND MAINTENANCE		4,239,547.00	
g INSURANCE		2,465,225.00	
h COMMUNICATION		1,110,669.00	
i OTHERS		13,950,273.00	
<b>18 Total Ordinary Allowable Itemized Deductions</b> (Sum of Items 1 to 17) (To Part IV Item 35)		<b>438,299,721.00</b>	
<b>Schedule 2 - Special Allowable Itemized Deductions</b> (attach additional sheet/s, if necessary)			
	Description	Legal Basis	Amount
1			0.00
2			0.00
3			0.00
4			0.00
<b>5 Total Special Allowable Itemized Deductions</b> (Sum of Items 1 to 4) (To Part IV Item 36)			<b>0.00</b>
<b>Schedule 3 - Reconciliation of Net Income per Books Against Taxable Income</b> (attach additional sheet/s, if necessary)			
1	Net Income(loss) per Books		-235,321,070.00
	Add: Non-Deductible Expenses/Other Income		
2	INTEREST EXPENSE ARBITRAGE		251.00
3			0.00
4	Total (Sum of Items 1 to 3)		-235,320,819.00
	Less: A) Non-Taxable Income and Income Subjected to Final Tax		
5	INTEREST INCOME		1,002.00
6	UNREALIZED FOREX GAIN		3,505.00
	B) Special Deductions		
7			0.00
8			0.00
9	Total (Sum of Items 5 to 8)		4,507.00
10	Net Taxable Income/(Loss) (Item 4 Less Item 9)		-235,325,326.00



**ASIA PACIFIC  
MEDICAL CENTER  
ILOILO**

BRGY. UNGKA, JARO, ILOILO CITY,  
PHILIPPINES 5000

### Summary of 17-C Reports

<b>Date Reported</b>	<b>Subject</b>
<b>January 16, 2025</b>	Application for Loan with the Land Bank of the Philippines, Designation of Authorized Signatories, and Approval of the Terms and Conditions of the Loan
<b>January 23, 2025</b>	Appointment of Hospital Director
<b>April 3, 2025</b>	Postponement of the 2025 Annual Stockholders' Meeting (ASM) and Filing of Voting Trust Agreements
<b>May 2, 2025</b>	Amendment of the Corporation's by-laws
<b>June 23, 2025</b>	Election of Directors, Election and Appointment of Officers, Voting Results on Agenda Items, Appointment of Chairpersons and Members of the Board Committees
<b>June 27, 2025</b>	Amendment of SEC Form 17C dated 14 June 2024
<b>July 3, 2025</b>	Replacement/Appointment of Member of the Audit Committee
<b>September 17, 2025</b>	Amendment of the Corporation's by-laws on the change of schedule of the Annual Stockholder's Meeting
<b>October 2, 2025</b>	Amendment of Articles III and IV of the Corporation's Articles of Incorporation
<b>October 9, 2025</b>	Correction of Typographical Errors in the Corporation's Articles of Incorporation
<b>October 30, 2025</b>	Amendment of Article VI of the Corporation's By-laws