SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: CS201506626
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Industry Classification: N85100
Company Type: Stock Corporation

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COVER SHEET

SEC Registration Number

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COMPANY NAME

ALLIED CARE EXPERTS (ACE) DUMAGUETE

DOCTORS INC.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/ Province)*

F. CIMAFRANCA ST., DARO, DUMAGUETE CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
acedumaguetedoctors@yahoo.com.ph	**(035) 421-2119**	**0932-242-0610**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,842	**July 2**	**December 31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Dr. Aejeleth B. Eyas	**acedumaguetedoctors@yahoo.com.ph**	**421-2119**	**-**

CONTACT PERSON'S ADDRESS

F. Cimafranca St., Daro, Dumaguete City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

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

2. SEC Identification Number **CS201506626** 3. BIR Tax Identification No. **008-997-532-000**

4. **Allied Care Experts (ACE) Dumaguete Doctors Inc.**
Exact name of issuer as specified in its charter...

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

(SEC Use Only)
Industry Classification Code:

7. **F. Cimafranca St, Daro, Dumaguete, Philippines**
Address of principal office

6200
Postal Code

8. **(035) 421-2119**
Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	168,220 shares; Php 168,220,000
Founder Shares	600 shares; Php 600,000

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

Yes [ ] No [x]

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

12. Check whether the issuer:

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

Yes [x] No [ ]

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

Yes [x]   No [ ]

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

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

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

Yes [ ]   No [ ]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Background

Allied Care Experts (ACE) Dumaguete Doctors, 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. CS201506626 on April 1, 2015.

The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinic, condo-hospital, scientific research institutions and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional medical or surgical services shall be performed by duly qualified and licenses 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 registered office of the Company is located at DML Building, North Road, Dumaguete City. The hospital is located at F. Cimafranca St., Daro, Dumaguete City, Negros Oriental.

The Company was issued its Board of Investments (BOI) Certificate of Registration no. 2019-034 on February 9, 2019. As a BOI-Registered Non-Pioneer Status Hospital, the Company enjoyed certain grants, particularly, but not limited to – Income Tax Holiday – for a period of 4 years starting from the start of its commercial operations.

On June 28, 2019, the SEC En Banc under SEC MSRD Order No. 37 approved effective the registrant statement of the Company for 186,000 shares broken down as follows: the primary offering to be sold by way of public offering for 36,000 shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from P250,000 up to P400,000 per block. Issued and outstanding Founder shares (600) and common shares (149,400) are not included in the offer. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

There are no recognized trends within such industry.

Products / Business Lines

Products / Business Lines with 10% or more contribution to 2025 revenues are as follows:

Pharmacy	20%
Laboratory	14%
Central Supplies	10%
Room Accomodation	10%

Competition

The Company's principal competitors are the following:

HOSPITAL	LOCATION	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
Silliman Medical Center Foundation Inc.	Hibbard Ave, Dumaguete City	300	Private	Level III

Holy Child Hospital	Bishop Epifanio Surban Street, Dumaguete City	200	Private	Level I
Negros Polymedic Hospital	Tubtubon, National Highway, Sibulan	100	Private	Level II
Negros Oriental Provincial Hospital	National Highway, Dumaguete City	200	Public	Level I

The patients will opt to be serviced by ACE Dumaguete Doctors considering its accessibility especially in emergency cases. The Company's good location, quality of the facilities and its competent medical staff will be the hospital's edge over its competitors.

Suppliers

The Company has no existing supply contracts with the principal suppliers. The Company has a broad base of suppliers and does not dependent on one or two suppliers. The Company is not dependent on one or a limited number of suppliers.

Customers

The Company is not dependent upon a single customer or a few customers due to the nature of the industry.

Transactions with Related Parties

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

Category	Advances from shareholders 2024	Amount of Transactions **2025**	Advances from shareholders **2025**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	27,945,354	19,613,000	47,558,354	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	27,945,354	19,613,000	47,558,354		

Category	Advances from shareholders 2023	Amount of Transactions **2024**	Advances from shareholders **2024**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	2,384,654	25,560,700	27,945,354	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	2,384,654	25,560,700	27,945,354		

(a) Non-interest-bearing Advances from shareholders

In the special meeting of the Board held last May 7, 2017, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced the monies in support of the Company's building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, also reserves the right to defer settlement and prioritize completion of the hospital building.

(b) Interest-bearing Advances from shareholders

On June 3, 2019, the Company acquired an unsecured interest-bearing advance from the shareholders at 12% per annum which was primarily used by the Company to support the working capital requirement during the start of its operation. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction. Total finance costs on these loans amounted to nil, nil and ₱896,230 in 2025, 2024 and 2023, respectively.

Key Management Personnel

Key management compensation amounted to ₱36,000,000 and ₱36,000,000 for the year ended December 31, 2025 and 2024, respectively. These amounts are incorporated in the salaries and allowances under direct costs account in the financial statements.

Government Regulations

Required permits were secured by the Company from the Department of Health (DOH), Food and Drug Administration (FDA) and Philippine Drug Enforcement Agency (PDEA) as part of the normal course of the hospital operations.

The Company has secured the required permits and clearances from the Department of Environment and Natural Resources (DENR) to be able to operate its hospital facility. Implementation of the environmental laws cost the Company around ₱100,000 annually.

Employees

Total number of full-time employees as of December 31, 2025 is 489. The breakdown is as follows:

	CBA	**Non-CBA**	**Total**
Rank and File	343	107	450
Supervisors	–	27	27
Managers and Top Management	–	12	12
Total	289	136	425

Apart from their regular compensation, the employees are entitled to hospital management discounts as follows:

Services	**Regular Employee Discounts**
Pharmacy	10%
OR Set	10% (OR Materials)
Laboratory	25%
EEG/ECG/2D Echo/Treadmill	25%
Professional fees	25%
Radiology	25% (Contrast not included)
Physical Therapy	25% (For 10 sessions)
ER Fee	50%

OR Fee	50%
DR Fee	50%
Room Accommodation	50% (45 days only)

Discounts for hospital staff employees and rank and file employees should not exceed ₱75,000 per year while discounts for head nurses, supervisors and department chiefs should not exceed ₱175,000 per year. The Company does not expect to hire additional employees in the next 12 months.

Risks

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

1. Credit Risk – The Company manages the level of credit risk through comprehensive credit risk policy such as initial assessment of clients and accreditation of various Health Maintenance Organizations (HMOs). With HMO covered patients, special rates are given. The Issuer will mitigate delays in payment from HMOs by investing in software programs that will efficiently monitor the Hospital's finances and receivables to ensure that its exposure to unpaid promissory notes is maintained at manageable levels. In addition, the Company has engaged with a third-party debt-recovery specialist (SPES Credit Recovery Services) to collect long outstanding receivables.

2. Liquidity Risk - The Company mitigates such risk through the availability of the credit line facility with the Land Bank of the Philippines amounting to ₱500,000,000 (₱400 million for construction and ₱100 million for equipment with initial interest at 5% variable with one-time fixing at 6% per annum for 10 years. Maturity date is on February 27, 2026. As of report date, the Company has fully utilized the available credit facility for equipment and construction. Moreover, the Company has a ₱50 million short term loan credit facility used as working capital. As of December 31, 2025, the outstanding balance of the short-term loan is ₱35,000,000.

   To strengthen its liquidity further, the Company actively manages and monitors its capital levels, asset levels, matching position, cash forecasts against established targets.

3. Key Personnel – The Company intends to mitigate such risk by maintaining a competitive compensation package and full benefits for its Management and Key Officers. The Human Resources Department will likewise maintain a program that will enhance and develop the career path of key officers and employees to ensure continued stay and loyalty to the Company.

Item 2. Properties

The Company owns a land property - covered by TCT No 109-2015000619 and 109-2015000621, valued at ₱52,438,860 and with a total area of 7,833 sq It is located at F. Cimafranca St., Daro, Dumaguete City, where the Company's multidisciplinary specialty medical facility is currently constructed. The property is covered by a real estate mortgage in connection with the Company's loan agreement with the Land Bank of the Philippines. Under the terms and conditions of the loan agreement, the Company is required to maintain a 75:25 debt to equity ratio.

Management has reviewed the carrying values of the property as at December 31, 2024 and 2024 for any impairment. Based on their evaluation, there are no indications that this asset is impaired

Item 3. Legal Proceedings

The Company is not a party to any legal proceedings, neither are any of its properties the subject of any pending legal proceedings.

PART II – SECURITIES OF THE REGISTRANT

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

Market Information

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

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		1st Quarter
Market Price	*2024*	*2025*	*2024*	*2025*	*2024*	*2025*	*2024*	*2025*	2026
High	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Low	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

The price as of March 31, 2026 is ₱250,000.00.

Holders

There are approximately 1,842 holders of common and founders' shares of the Company as of December 31, 2025.

Top 20 Stockholders (As of 31 December 2025)

	NAME	NATIONALITY	TYPE	NUMBER OF SHARES	% OF OWNERSHIP
1	Amado Manuel C. Enriquez Jr.	Filipino	Common	12,450	7.40%
			Founder	50	
			Total	12,500	
2	Marietta T. Samoy	Filipino	Common	7,470	4.44%
			Founder	30	
			Total	7,500	
3	Geanie A. Cerna-Lopez	Filipino	Common	4,330	2.57%
			Founder	10	
			Total	4,340	
4	Roy Diamond M. Arco	Filipino	Common	3,320	1.97%
			Founder	10	
			Total	3,330	
5	Daphne Lyn R. Rana	Filipino	Common	3,120	1.85%
			Founder	10	
			Total	3,130	
6	Brenda V. Diputado	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
7	Ronald I. Ramiro	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	

	NAME	NATIONALITY	TYPE	NUMBER OF SHARES	% OF OWNERSHIP
8	Esmeralda V. De La Rosa	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
9	Michael Edward R. Enriquez	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
10	Generoso M. Orillaza	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
11	Aejeleth B. Eyas	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
12	Aideline E. Sison	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
13	Idelle Marie A. Yurong	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
14	Angelo L. Alcala	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
15	Angelo Michael A. Singco	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
16	Felicisimo D. De Castro	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
17	Felix P. Nolasco	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
18	Lynn L. Olegario	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
19	Maria Carmelita N. Vera Cruz	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	
20	Brian Joseph M. Calinawagan	Filipino	Common	2,490	1.48%
			Founder	10	
			Total	2,500	

Dividends

The payment of dividends depends upon the Company's financial performance and condition and cash flow. The Company has not yet declared dividends since its incorporation considering that the Company is still spending on the improvement of its hospital facility. There are no restrictions that limit the payment of dividends on Common Shares.

Recent Sale of Securities

There is no recent sale of unregistered or exempt securities.

PART III. FINANCIAL INFORMATION

Management's Discussion and Analysis or Plan of Operation

Results of Operation

In 2025, 2024 and 2023, revenues of ₱609.7 million, ₱613.1 million and ₱605.5 million, respectively were generated from its operations. The statement of comprehensive income reported a net income of ₱22.2 million, ₱27.9 million and ₱21.9 million in 2025, 2024 and 2023, respectively. The following table shows the financial highlights of the Company for the years then ended December 31, 2025, 2024 and 2023:

	As at December 31				
	2025	2024	2023	% Change *2025 v 2024*	% Change *2024 v 2023*
Total Revenue, net	**₱609,670,225**	₱613,058,922	₱605,497,294	-1%	1%
Total Cost of Sales	**413,673,473**	417,694,316	446,741,620	-1%	-7%
Gross Income	**195,996,752**	195,364,606	158,755,674	0%	23%
Total Gen & Ad Expense	**160,504,123**	153,663,061	112,759,792	4%	36%
Operating income (loss)	**35,492,629**	41,701,545	45,995,882	-15%	-9%
Other charges (income)	**(13,280,744)**	(13,850,719)	(24,131,611)	-4%	-43%
Net Income (Loss)	**₱22,211,885**	₱27,850,826	₱21,864,271	-20%	27%

The company operates a state-of-the-art facility with a 110-bed capacity, equipped with advanced digital information systems and staffed by highly trained medical professionals, including specialist doctors. This exceptional infrastructure has enabled the company to maintain consistent profitability over the past three years. The outpatient services offered encompass a wide range of medical procedures, including laboratory testing, radiology and imaging, cardio-pulmonary diagnostics, nuclear medicine, and outpatient consultations.

Revenue in 2025 has decreased by 1% or ₱3.4 million due to increase in inpatient occupancy rate and OPD census. Cost of sales has decreased to ₱413.7 million in 2025 from ₱417.7 million in 2024 or a 1% decrease. Cost of sales includes depreciation; cost of medicines, medical supplies and laboratory reagents; professional fees, salaries and wages and utilities expense.

The Company's operating expenses pertain mainly to salaries and wages of administrative employees, repairs and maintenance, allocated depreciation and amortization expense, supplies and consumable, and bad debt expense which represent 67% of the Company's total operating expenses. The total operating expenses increased by 4% or ₱6.8 million in 2025.

In 2025, the Company has generated net income of ₱22.2 million.

Financial Position

	December 31, 2025	December 31, 2024	% Change
Current assets	**₱258,713,776**	₱178,383,714	45%
Noncurrent assets	**654,411,135**	684,559,217	-4%
Total assets	**913,124,911**	862,942,931	6%
Current liabilities	**268,753,280**	246,390,899	9%
Noncurrent liabilities	**53,305,591**	53,197,877	0%
Total Liabilities	**322,058,871**	299,588,776	8%
Total Equity	**591,066,040**	563,354,155	5%
Total liabilities and equity	**913,124,911**	862,942,931	6%

Balance Sheet Items - 2025 compared to 2024

Total current assets increased by 45% or ₱80.3 million in 2025 as compared to 2024. The decrease in current assets is due to increase in cash amounting to ₱90.8 million. The Company has total assets of ₱913.1 million as of December 31, 2025 of which ₱605.7 million or 66% is comprised of the Company's land, building, medical equipment and other properties and equipment.

The liabilities of the Company is mainly consist of accounts payable to suppliers, medical practitioners and related parties. and loans payable to the Land bank of the Philippines totaling ₱59 0 million as of December 31, 2025. Total current liabilities have increased by 131% or ₱119.1 million in 2025 as compared in 2024 due to increased payable to suppliers and medical practitioners.

Material Variances Affecting the Statements of Financial Position

Statement of financial position accounts as of December 31, 2025 with variances of plus or minus 5 percent against December 31, 2024 balance are discussed, as follows:

Current assets

1. Cash - The increase in cash is due to increase in cash generated from operating activities particularly better collection rate from government and government agencies. The Company has an increase of ₱90.8 million. This was offset by the loan payments. Total payments amounted to ₱120.8 million in 2025 and ₱122.0 million in 2024.
2. Trade and other receivables – The decrease in accounts receivable of 18% is due to the decrease in receivable from patients, PHIC, HMO, Corporate and GLs. In 2025, receivable from HMO, Corporate and GLs decreased from ₱97.3 million to ₱83.1 million. This is due to the increased in collection rate from financial assistance from government agencies.
3. Inventories – The increase in inventories is due to the increase of goods or services available to patients. Inventories has increased by 21% or ₱6.7 million in 2025.
4. Prepayments and other current assets – The decrease is due to utilization of creditable withholding tax.

Noncurrent assets

1. Advances to suppliers – The increase on the account can be attributed to the advance payments for the acquisition of multiple medical equipment which is expected to be delivered in 2026.
2. Property and equipment – The decrease is mainly due to the depreciation of the Company's property and equipment totaling to ₱69.8 million which is slightly offset by acquisition of new machineries and equipment totaling to ₱39.3 million.
3. Deferred tax assets – Increase in deferred tax asset is due to the additional recognition of provision for ECL and retirement obligation. The account has increased by 40% or ₱1.5 million

Current and Noncurrent Liabilities

1. Trade and other payables – The increase in the account is due to the increase in payables to suppliers and medical practitioners.
2. Loans payable - In 2025, the Company has paid a total of ₱120.8 million to its long-term notes payable which caused the decrease in total current and noncurrent notes payable.
3. Advances from shareholders – The increase is due to receipts made throughout the year.

Financial Performance (2024)

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

	2024	**% to Sales**	2023	% to Sales	% Change *2024 v 2023*
Total Revenue, net	**₱613,058,922**	**100%**	₱605,497,294	100%	1%
Total Cost of Sales	**(417,694,316)**	**68%**	(446,741,620)	74%	-7%
Gross Income	**195,364,606**	**32%**	158,755,674	26%	23%
Total Gen & Ad Expense	**(153,663,061)**	**25%**	(112,759,792)	19%	36%
Operating income	**41,701,545**	**7%**	45,995,882	8%	-9%
Other charges	**(13,850,719)**	**-2%**	(24,131,611)	-4%	-43%
Net Income	**₱27,850,826**	**5%**	₱21,864,271	4%	27%

The Company started its hospital out-patient department operations last March 2019. Out-patient operations include laboratory and radiology procedures, ECG, EEG, 2D Echo, Bone Densitometry and Doctor's clinic consultations. On July 2019, the Company started operating in-patient services. The Company has a 100-bed capacity.

Revenue in 2024 has increased by 1% or ₱7.6 million due to increase in inpatient occupancy rate and OPD census. Cost of sales has decreased to ₱417.69 million in 2024 from ₱446.7 million in 2023 or a 7% decrease. Cost of sales includes depreciation; cost of medicines, medical supplies and laboratory reagents; professional fees, salaries and wages and utilities expense.

The Company's operating expenses pertain mainly to salaries and wages of administrative employees, repairs and maintenance, allocated depreciation expense, supplies and consumable, and bad debt expense which represent 68% of the Company's total operating expenses. The total operating expenses increased by 36% or ₱40.9 million in 2024.

In 2024, the Company has generated net income of ₱27.9 million.

Financial Position (2024)

The following table shows the financial position of the Company as at December 31, 2024 and 2023:

	December 31, 2024	**% to Total Assets**	December 31, 2023	% to Total Assets	% Change
Current assets	**178,383,714**	**21%**	193,914,894	22%	-8%
Noncurrent assets	**684,559,217**	**79%**	704,192,114	78%	-3%
Total assets	**862,942,931**	**100%**	898,107,008	100%	-4%
Current liabilities	**246,390,899**	**29%**	251,779,826	28%	-2%
Noncurrent liabilities	**53,197,877**	**6%**	141,134,654	16%	-62%
Total Liabilities	**299,588,776**	**35%**	392,914,480	44%	-24%
Total Equity	**563,354,155**	**65%**	505,192,528	56%	12%
Total liabilities and equity	**862,942,931**	**100%**	898,107,008	100%	-4%

Balance Sheet Items - 2024 compared to 2023

Total current assets decreased by 8% or ₱15.5 million in 2024 as compared to 2023. The decrease in current assets is due to decrease in other current assets amounting to ₱42.2 million. The Company has total assets of ₱862.9 million as of December 31, 2024 of which ₱636.1 million or 74% is comprised of the Company's land, building, medical equipment and other properties and equipment.

The liabilities of the Company is mainly consist of trade payable to suppliers, medical practitioners and related parties, and loans payable to the Land bank of the Philippines totaling ₱179.8 million as of December 31, 2024. Total current liabilities have decreased by 24% or ₱93.3 million in 2024 as compared in 2023 due to the principal payment of the bank loans.

Material Variances Affecting the Statements of Financial Position

Statement of financial position accounts as of December 31, 2024 with variances of plus or minus 5 percent against December 31, 2023 balance are discussed, as follows:

Current assets

1. Cash - The increase in cash is due to increase in cash generated from operating activities. The Company has an increase of ₱31.6 million. This was offset by the increase in loan payments. Total payments amounted to ₱122.0 million in 2024 and ₱114.8 million in 2023.
2. Trade Receivable – The increase in trade receivable of 8% is due to the increase in receivable from HMO, Corporate and GLs. In 2024, receivable from HMO, Corporate and GLs increased from ₱20.3 million to ₱37.6 million. This is due to the increased number of patients availing of financial assistance from government agencies.
3. Prepayments and other current assets – The decrease is due to the reclassification of Input VAT to other accounts.

Noncurrent assets

4. Advances to suppliers -- The decrease on the account can be attributed to the delivery of goods and/or services.
5. Property and equipment – The decrease is mainly due to the depreciation of the Company's property and equipment totaling to ₱72.4 million.
6. Intangible assets – Increase in intangible asset is due to additions made during the year totaling to ₱3.7 million.

Current and Noncurrent Liabilities

4. Notes payable – In 2024, the Company has paid a total of ₱122.0 million to its long-term notes payable which caused the decrease in total current and noncurrent notes payable.
5. Advances from shareholders – The increase is due to receipts made throughout the year. Total payments for the year was ₱25.6 million.

Key Performance Indicators

	Dec. 31, *2025*	Dec. 31, *2024*	Dec. 31, *2023*
a. **CURRENT RATIO** = Current assets / Current liabilities	0.96	0.72	0.77
Remarks: The current ratio measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. Current ratio in 2025 increased as net result of the increase in cash due to improve collections.			
b. **DEBT TO EQUITY RATIO =** Debt / Equity	0.54	0.53	0.78
Remarks: Debt to equity ratio shows the proportions of equity and debt a company is using to finance its assets and it signals the extent to which shareholder's equity can fulfill obligations to creditors. There is no significant change in the ratio in 2025.			
c. **DEBT TO TOTAL ASSET RATIO** = Debt / Asset	0.35	0.35	0.44
Remarks: Debt to total asset ratio is an indicator of a company's financial leverage. It is the percentage of a company's total assets that were financed by creditors. There is no significant change in the ratio in 2025. The company has made principal payments during the year totaling to ₱122 million.			
d. **ASSET TO EQUITY RATIO =** Assets / Equity	1.54	1.53	1.78
Remarks: Asset to equity ratio shows the relationship of the total assets of the Company to the portion owned by shareholders. This ratio is an indicator of the company's leverage (debt) used to finance the firm. Asset to equity ratio in 2025 and 2024 decreased due to the significant decrease in deficit, and increase in share capital and share premium.			
e. **PROFIT MARGIN** = Net Income (Loss) / Net Revenue	4%	5%	4%
Remarks: Profit margin is a measure of the Company's income (loss) relative to its revenue. It represents what percentage of revenue has turned into income or loss. Profit margin in 2025 slightly lower due to the Company's increase in operating expenses and income tax.			

Other Matters

There are no known trends, events, or uncertainties that have a material impact on liquidity. Nevertheless, management still continues to pursue intensive efforts improvement cash management.

There are no events that will trigger direct or contingent financial obligation that is material to the Company.

The Company is not involved in legal proceedings, tax, and/or regulatory assessments.

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

The Company continues to spend capital expenditures in relation to the construction of the hospital building and the acquisition of property and equipment.

The Company commenced its business operations last March, 2019 and is now on its 7th year of operation.

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

Financial Risks

a. Interest Rate Risk – The Company's interest rate risk is limited to its cash in banks and loans payable.

b. Credit Risk – The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedures in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on receivables is minimal since no default in payments was made by the counterparties.

c. Liquidity Risk – As part of the Company's overall liquidity management, the Company maintains a level of cash deemed sufficient to finance the construction of the hospital building and pre-operating expenses, and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any

The Company has no investments in foreign securities.

Information on Independent Accountant

The Company's external auditor is the auditing firm of Perez, Sese, Villa & Co. The same auditing firm is being recommended by the Board, upon the recommendation of the Audit Committee composed of Concepcion Rosario as the Chairman/Independent Director, and its members: Engr. Generoso Orillaza (Independent Director), Roy Diamond Arco, Michael Edward Enriquez, Esmeralda De La Rosa and Revey Nuico, and subject to stockholders' approval, for re-appointment as the Company's external auditor for the year-ending December 31, 2025.

The Audit Committee has the function of assessing the independence and professional qualifications of the external auditor, in compliance with the requirements under applicable law, rules and regulations; reviewing the performance of the external auditors. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit.

Perez, Sese, Villa & Co. represented by its engagement partner, Ma. Alma C. Sese is the external auditor of the Company for the most recently completed year 2025. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged Ma. Alma C. Sese for more than five years.

Representatives of Perez, Sese, Villa & Co are expected to be present during the stockholders' meeting. The representatives will have the opportunity to make statements if they desire to do so and will be available to respond to appropriate questions from the security holders.

During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.

The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:

For the year 2025	-	₱156,800 (billed and paid in 2026)
For the year 2024	-	₱201,600 (billed and paid in 2025)

The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (₱180,000); and (b) All Other (₱21,600).

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of Ong, Noceja & Associates for year 2024. However, for the year 2025, the Company engaged the services of Perez, Sese, Villa & Co, considering the accreditation requirement of SEC. There were no disagreements with Ong, Noceja & Associates nor with Perez, Sese, Villa & Co on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Directors, Executive Officers

Directors

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

1. Amado Manuel C. Enriquez Jr.
2. Marietta T. Samoy
3. Geanie Cerna-Lopez
4. Robert H. Tan
5. Roy Diamond M. Arco
6. Esmeralda De la Rosa
7. Brenda V. Diputado
8. Revey S. Nuico
9. Idelle Marie Yurong
10. Ronald Ramiro
11. Franciene Vasquez
12. Michael Edward Enriquez
13. Eulenia Nolasco - Independent Director
14. Concepcion Rosario – Independent Director
15. Generoso Orillaza – Independent Director

Name	Business and Professional Work Experience
Enriquez, Amado Manuel Jr. C. 72, Filipino	Chairman – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015-2023, 2024-present) Director – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015-present Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Alaminos Medical Center Foundation (2001-present) Founding Director - Mania Active consultant in Cardiovascular-Thoracic Surgery – St. Luke's Medical Center, Manila East Medical Center. ACE Medical Center Hospitals. Previous Positions Held: Chairman of the Board – Manila East Medical Center (2007-2008, 2017); Paranaque Doctors Hospital (2012-2017); ACE Medical Center Baypointe, Subic (2007-2011); Unihealth Paranaque Hospital (2014-2017) Founding Chairman – ACE Medical Center Valenzuela, ACE Medical Center Baliwag, ACE Medical Center Pateros, ACE Medical Center Malolos, ACE Medical Center Mandaluyong, ACE Medical Center Palawan, ACE Medical Center Iloilo, ACE Medical Center Tacloban, ACE Dumaguete Doctors, Inc., ACE Dumaguete Doctors, Inc., ACE Medical Center Bacolod, ACE Medical Center General Santos, ACE Medical Center CDO, ACE Medical Center Dipolog, ACE Medical

Name	Business and Professional Work Experience
	Center Zamboanga, ACE Medical Center Butuan
Samoy, Marietta T. 68, Filipino	Corporate Secretary – Allied Care Experts (ACE) Dumaguete Doctors Inc., (2021-2023) Vice President - Allied Care Experts (ACE) Dumaguete Doctors Inc., (2023-present) Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Obstetrics and Gynecology Consultant in Las Pinas, Muntinlupa and Paranaque. Medical Center Muntinlupa Medical Services Head, Las Pinas City Medical Center- Administrator, Uni-Health Paranaque Hospital and Medical center- management consultant. Paranaque Doctors Hospital, Head Ob-Gyne Dept. Past President Las Pinas Med Center (2014) , Past president UniHealth Paranaque (2016) , Treasurer-medical center Muntinlupa (2015) , Past Corp Sec Paranaque Doctors Hospital (2013), Medical Director - Paranaque Doctors Hospital (2010-2012). Founder – Las Pinas Medical Center, Paranaque Doctors Hospital, Medical Center Muntinlupa, Metrosouth Medical Center, Unihealth Paranaque Hospital and Medical Center, Diliman Doctors Hospital
Cerna-Lopez, Geanie 70, Filipino	Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) President - Las Pinas City Medical Center, Medical Director- Unihealth Paranaque, Management Consultant - Medical Center Muntinlupa, Past President - Medical Center Muntinlupa (2016), Past Hospital Admin - UniHealth Paranaque Hospital (2016) and Las Pinas City Medical Center(2016); Past president Paranaque Doctors Hospital (2015)
Tan, Robert H. 65, Filipino	President – Allied Care Experts (ACE) Dumaguete Doctors Inc., (2023-present) Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Consultant, General Surgeon, Holy Child Hospital (1993-present); Consultant, General Surgeon, ACE Dumaguete Doctors Visiting Consultant, General Surgery Silliman University Medical Centre (1993 - present)
Arco, Roy Diamond M. 48, Filipino	Treasurer - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015-2020, 2021-2023,2024-present) Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015)

Name	Business and Professional Work Experience
	Consultant, ACE Dumaguete Doctors and Silliman Medical Center Department Chairperson – ACEDDI Hemodialysis Unit Corporate Treasurer - ACEDDI PGI – SUMCFI Residensy Training – Perpetual Succuor Hospital Cebu City, Internal Medicine Fellowship Training – National Kidney & Transplant Institute, Adult Nephrology Diplomate – Philippine College of Physicians (2009) Diplomate – Philippine Society of Nephrology (2012) Member of Professional Organization: Negros Oriental Medical Society. PCP Negros Oriental & Philippine Society of Nephrology
De la Rosa, Esmeralda 69, Filipino	Founder - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) College of Medicine – University of Santo Tomas 1980 PGI – Manila Doctors Hospital 1981 Residency – Internal Medicine, East Avenue Medical Center 1983-1987
Diputado, Brenda 69, Filipino	Founder - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Consultant of ACE Dumaguete Doctors Inc. College of Medicine - West Visayas State College PGI - UP-PGH 1981 Residency - UP-PGH – Pediatrics 1983-1985 ; Neurology 1989-1992
Nuico, Revey 69, Filipino	Founder - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Consultant of ACE Dumaguete Doctors Inc. College of Medicine – MHAM College of Medicine PGI – Siliman University Medical Center, 1983 Residency – General Surgery, Cebu City Medical Center, 1988
Yurong, Idelle Marie 57, Filipino	Founder - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Consultant of ACE Dumaguete Doctors Inc College of Medicine – Cebu Doctor's College of Medicine PGI – Siliman University Medical Center 1993 Residency – Pediatrics, Chong Hua Hospital 2000
Ramiro, Ronald 67, Filipino	Founder – Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Assistant Corporate Secretary - Allied Care Experts (ACE) Dumaguete Doctors Inc. (present) President – ACEMC-Bohol (present)

Name	Business and Professional Work Experience
	Graduated from CIM in 1981 and finished residency in General surgery as Chief Resident at Cebu Doctors Hospital in 1989 Passed only part 1 of the Philippine Board of Surgery in 1993
Vasquez, Franciene 50, Filipino	Founder - Allied Care Experts (ACE) Dumaguete Doctors Inc. (2015) Consultant, ACE Dumaguete Doctors and Silliman Medical Center PGI - SUMCFI Residensy Training – Philippine General Hospital, OB-GYN Ultrasound and Velez General Hospital, OB-GYN Fellowship – Philippine Obstetric & Gyne Society Diplomate – Philippine Board of Obstetric & Gyne Society
Enriquez, Michael Edward 37. Filipino	College of Medicine – University of Santo Tomas 2017 Affiliated with ACE Group of Hospitals Outstanding inter in Emergency Medicine by the Philippine General Hospital 2018
Nolasco, Eulenia/Independent Director 73, Filipino	Consultant, Asian Hospital and Medical Center. Manila Doctors Medical Center President, Philippine Society of Gastroenterology President, Philippine Society of Digestive Endoscopy Head, Gastrointestinal Center, UP-PGH Medical Center Head, Gastrointestinal Section, East Ave. Medical Center Chairman, Dept. of Medicine, UPHRMC, Las Pinas City Food and Drug Administration Consultant and Drug Reviewer Member of Editorial Board, World Journal of Gastroenterology
Rosario, Concepcion/Independent Director 60, Filipino	Siliman University – BS Medical Technology Gullas College of Medicine – Doctor of Medicine PGI – Siliman University Medical Center Philippine General Hospital – Residency in Obstetrics and Gynecology Philippine Board of Obstetrics and Gynecology – Diplomate Philippine Board of Obstetrics and Gynecology – Fellow
Orillaza, Generoso/Independent Director 68, Filipino	Director – Paranaque Doctors Hospital (2007 – present); ACE Baypointe Hospital & Medical Center (2010-present); ACE Baliwag (2012-2014) Head, Engineering and Maintenance Service- ACE Valenzuela (2011-2014); ACE Baypointe Hospital &Medical Center (2010- present); ACE Baliwag (2012-2014); Unihealth Paranaque Hospital and Medical Center 2014-2014); ACE Pateros (2013-2015); ACE QC (2013-present); Chairman of Construction Committee (2008 – present) – ACE Iloilo; ACE Gensan; ACE Cebu; ACE Tacloban; ACE Butuan

Executive Officers

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

Robert H. Tan	- President
Roy Diamond M. Arco	- Corporate Treasurer
Brenda V. Diputado	- Corporate Secretary
Michael Edward Enriquez	- Assistant Treasurer
Aejeleth B. Eyas	- Assistant Corporate Secretary

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

The Company's incumbent officers are as follows:

1. Amado Manuel C. Enriquez Jr.	Chairman, see foregoing Director's Profile
2. Geanie Cerna-Lopez	Vice Chairman, see foregoing Director's Profile
3. Robert H. Tan	President, see foregoing Director's Profile
4. Marietta T. Samoy	Vice-President, see foregoing Director's Profile
5. Roy Diamond M. Arco	Corporate Treasurer, see foregoing Director's Profile
6. Brenda V. Diputado	Corporate Secretary, see foregoing Director's Profile
7. Michael Edward Enriquez	Assistant Treasurer
8. Aejeleth B. Eyas	Assistant Corporate Secretary

Significant Employees

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

Family Relationships

Among the directors and officers of Allied Care Experts (ACE) Dumaguete Doctors, Inc., the assistant corporate treasurer, Michael Edward Enriquez, is the son of Dr. Amado Manuel Enriquez, Jr. a member of the Board of Directors.

Certain Relationships and Related Transactions

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

There are no transactions in the last two (2) years or proposed transactions to which the Company was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

i. Any director or executive officer of the Corporation;
ii. Any nominee for election as a director;
iii. Any security holders;
iv. Any member of the immediate family of the preceding persons.

Involvement in Certain Legal Proceedings

As of December 31, 2025, the following directors are parties to the following legal proceedings in their capacity as officers of Allied Care Experts (ACE) Medical Center-Cebu Inc.:

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

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

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

The Defendants have already filed their Answer to the Complaint.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The

Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

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

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

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

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

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

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

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

Compensation of Directors and Executive Officers

SUMMARY COMPENSATION TABLE

(a) Name & Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Compensation
A. Amado Manuel C. Enriquez, Jr. Chairman	2025	1,270,000	- 0 -	- 0 -
B. Robert H. Tan President	2025	1,270,000	- 0 -	- 0 -
C. Roy Diamond M. Arco Corporate Treasurer	2025	815,000	- 0 -	- 0 -
D. Brenda V. Diputado Corporate Secretary	2025	665,000	- 0 -	- 0 –
E. Aggregate For The Above Named CEO & Officers	2026-estimate	2,280,000	- 0 -	- 0 -
	2025	4,020,000	- 0 -	- 0 -
	2024	2,287,000	- 0 -	- 0 -
F. Aggregate For The Officers And Directors As A Group	2026-estimate	6,150,000	- 0 -	- 0 -
	2025	6,982,500	- 0 -	- 0 -
	2024	4,177,000	- 0 -	- 0 -

a. The directors receive per diem of P10,000.00/board meeting and P5,000.00 per committee meeting during board/committee meetings for each director. On November 30, 2020, the Board approved the compensation for officers, as follows:

Position	Amount
Chairman	90,000
President	90,000
Vice Chairman	80,000
Vice President	80,000
Corporate Treasurer	65,000
Assistant Treasurer	60,000
Corporate Secretary	65,000
Assistant Corporate Secretary	60,000

For the year 2025, the directors received per diem for attendance in board and committee meetings as shown in the table below:

Name of Director	Total Per Diem Received for the Year 2025
Amado Manuel C. Enriquez, Jr.	288,000
Marietta T. Samoy	288,000
Geanie A. Cerna-Lopez	288,000
Robert H. Tan	288,000
Roy Diamond M. Arco	220,500
Esmeralda Dela Rosa	54,000
Brenda V. Diputado	99,000
Revey S. Nuico	72,000
Idelle Marie A. Yurong	72,000
Ronald Ramiro	180,000
Franciene P. Vasquez	40,500
Michael Edward R. Enriquez	234,000
Eulena Nolasco	72,000
Concepcion P. Rosario	58,500
Generoso Orillaza	162,000

b. There are no bonuses, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as director, or executive officers of the registrant will participate.

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

The value of the securities is based on the approved issue price thereof as stated in the Registration Statement of the Corporation.

Security Ownership of Certain Record and Beneficial Owners

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

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common Founder	Enriquez, Michael Edward R.	Enriquez, Amado Manuel Jr. C./Father	Filipino	19,920 (common shares) 80 (founder shares)	11.85%
Common Founder	Enriquez. Marilyn R.	Enriquez, Amado Manuel Jr. C./Husband			
Common Founder	Enriquez, Miguel R.	Enriquez, Amado Manuel Jr. C./Father			

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

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
BOARD OF DIRECTORS					
Amado Manuel C. Enriquez Jr.	12,500,000	7,500,000	Filipino	19,920 (common shares) 80 (founder shares)	11.85%
Geanie A. Cerna-Lopez	4,340,000	3,160,000	Filipino	7,470 (common shares) 30 (founder shares)	4.44%
Robert H. Tan	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Marietta T. Samoy	7,500,000	-	Filipino	7,470 (common shares) 30 (founder shares)	4.44%
Roy Diamond M. Arco	3,330,000	10,000	Filipino	3,330 (common shares) 10 (founder shares)	1.98%
Brenda V. Diputado	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Ronald I. Ramiro	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Esmeralda V. De La Rosa	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Michael Edward R. Enriquez	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Revey S. Nuico	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Franciene P. Vasquez	2,490,000	10,000	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Idelle Marie A. Yurong	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Concepcion P. Rosario	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Eulenia P. Nolasco	2,500,000	2,500.000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Generoso M. Orillaza	2,500,000	2,500.000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
EXECUTIVE OFFICERS					
Amado Manuel C. Enriquez Jr. / Chairman	12,500,000	7,500,000	Filipino	19,920 (common shares) 80 (founder shares)	11.85%
Geanie A. Cerna-Lopez / Vice Chaiperson	4,340,000	3,160,000	Filipino	7,470 (common shares) 30 (founder shares)	4.44%
Robert H. Tan / President	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.96%
Marietta T. Samoy / Vice President	7,500,000	-	Filipino	7,470 (common shares) 30 (founder shares)	4.44%
Brenda V. Diputado / Corporate Secretary	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Roy Diamond M. Arco / Corporate Treasurer	3,330,000	10,000	Filipino	3,330 (common shares) 10 (founder shares)	1.98%
Aejeleth B. Eyas / Asst. Corporate Secretary	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Michael Edward R. Enriquez / Asst. Corporate Treasurer	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%

(3) The following owns directly or indirectly 2.0% or more of the outstanding capital stock of the Company as of December 31, 2025:

Name	% of Ownership
Enriquez, Amado Manuel Jr. C.	11.85%
Cerna-Lopez, Geanie	4.44%
Samoy, Marietta T.	4.44%
Amante, Jonathan C.	2.96%
Orillaza, Generoso M.	2.96%
De Leon, Roberto M.	2.96%
Tan, Robert H.	2.96%
Nolasco, Felix P.	2.96%
Nuico, Revey S.	2.96%
Rana, Daphne Lynn R.	2.96%

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

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

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

Certain Relationships and Related Transactions

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

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

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

Category	Advances from shareholders 2024	Amount of Transactions **2025**	Advances from shareholders **2025**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	**27,945,354**	**19,613,000**	**47,558,354**	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	27,945,354	**19,613,000**	**47,558,354**		

Category	Advances from shareholders 2023	Amount of Transactions **2024**	Advances from shareholders **2024**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	**2,384,654**	**25,560,700**	**27,945,354**	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	2,384,654	**25,560,700**	**27,945,354**		

In the special meeting of the Board held last May 7, 2017, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced the monies in support of the Company's building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, also reserves the right to defer settlement and prioritize completion of the hospital building.

(c) Interest-bearing Advances from shareholders

On June 3, 2019, the Company acquired an unsecured interest-bearing advance from the shareholders at 12% per annum which was primarily used by the Company to support the working capital requirement during the start of its operation. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction. Total finance costs on these loans amounted to nil, nil and ₱896,230 in 2025, 2024 and 2023, respectively.

Key Management Personnel

Key management compensation amounted to ₱36,000,000 and ₱36,000,000 for the year ended December 31, 2025 and 2024, respectively. These amounts are incorporated in the salaries and allowances under direct costs account in the financial statements.

There is no transaction with promoters for the past 5 years.

PART V – CORPORATE GOVERNANCE

The Company adheres to the principles of good governance as provided in its Manual on Corporate Governance (MCG). In the performance of their respective responsibilities, the directors, officers and employees are guided by the mission and vision of the Company and the good corporate practices provided under the Company's Manual on Corporate Governance.

The Board has created different committees: Nomination and Election Committee, Audit Committee, Compensation and Remuneration Committee, Corporate Governance Committee, and Committee on Inspection and Validity of Proxies, all composed of qualified members and who undertake their functions as mandated. There were no major deviations from the adopted Manual on Corporate Governance.

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

PART VI - EXHIBITS AND SCHEDULES

(a) Exhibit
2025 Audited Financial Statements

(b) Reports on SEC Form 17-C

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

Date	Corporate Action
March 18, 2025	Postponement of the Y2025 Annual Stockholder's Meeting
July 3, 2025 [ASM]	Election of Directors Appointment of External Auditor for Y2024 Approval of Y2024 Audited Financial Statements
July 3, 2025 [Organizational Meeting]	Election of Officers
July 10, 2025 [Board Committees]	Appointment of Members of Various Committees

SIGNATURES

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

ROBERT H. TAN President	**BRENDA V. DIPUTADO** Corporate Secretary
ROY DIAMOND M. ARCO Corporate Treasurer	

NOTE: There is no "Comptroller" position in the existing organizational structure of ACE Dumaguete Doctors.

05 MAY 2026

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

AFFIANTS	TIN/SSS Nos.
Robert H. Tan	
Brenda Diputado	
Roy Diamond M. Arco	

ATTY. JULIUS ANTHONY R. CUENCO, CPA
Notary Public for Dumaguete City, Siaton,
Valencia, Zamboanguita, Dauin, Bacong, and
Sibulan, Province of Negros Oriental
NOTARY PUBLIC
Serial No. 2025-016, Until Dec. 31, 2026
Room 405, Silliman Portal West Bldg., Dumaguete City
Roll of Attorneys No. 75804
PTR No. 4706874A / Jan. 5, 2026 Dgte. Neg. Or.
IBP No. INV573923 / December 27, 2025, Pasig City
MCLE Compliance No. VIII-0008061

Doc. No. 141
Page No. 34
Book No. 11
Series of 2026

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

Allied Care Experts (ACE) Dumaguete Doctors Inc.
F. Cimafranca St., Daro, Dumaguete City, Negros Oriental
Attention: The Assistant Corporate Secretary

File Upload

All files successfully uploaded

Transaction Code:
AFS-0-MS13WTWX0J599K58MQZXYVMW075AHDDEL

Submission Date/Time:
May 07, 2026 11:57 AM

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ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.

FINANCIAL STATEMENTS
December 31, 2025
(With Comparative Figures for December 31, 2024 and 2023)

and

Report of Independent Auditors

Allied Care Experts (ACE) Dumaguete Doctors, Inc.
F. Cimafranca Street, Daro , Dumaguete City
Email: acedumaguetedoctors@yahoo.com.ph Cell # 09322420610

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.** (the Company) 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, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS 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) **ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

BY:
ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.

AMADO MANUEL C. ENRIQUEZ JR.
Chairman of the Board

ROBERT H. TAN
President

ROY DIAMOND M. ARCO
Treasurer

Allied Care Experts (ACE) Dumaguete Doctors, Inc.
F. Cimafranca Street, Daro, Dumaguete City
Email: acedumaguetedoctors@yahoo.com.ph Cell # 09322420610

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

PEREZ, SESE, VILLA & CO., ONG, NOCEJA & ASSOCIATES, C.P.A. and **DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S** the independent auditors appointed by the shareholders for the period December 31, 2025, 2024, and 2023 respectively, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

AMADO MANUEL C. ENRIQUEZ JR.
Chairman of the Board

ROBERT H. TAN
President

ROY DIAMOND M. ARCO
Treasurer

Signed this _______________.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the ____________ Philippines, this 05 MAY 2026, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED

DOC. NO: 153
PAGE NO: 35
BOOK NO: II
SERIES OF 2024

ATTY. JULIUS ANTHONY R. CUENCO, CPA
Notary Public for Dumaguete City, Siaton, Valencia, Zamboanguita, Dauin, Bacong, and Sibulan, Province of Negros Oriental
Serial No. 2025-016, Until Dec. 31, 2026
Room 405, Silliman Portal West Bldg., Dumaguete City
Roll of Attorneys No. 75804
PTR No. 4706874A / Jan. 5, 2026 Dgte. Neg. Or.
IBP No. INV573923 / December 27, 2025, Pasig City
MCLE Compliance No. VIII-0008061

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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

SUPPLEMENTAL STATEMENT
OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St., Daro, Dumaguete City
Negros Oriental

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 13, 2026.

In compliance with the Revised Securities Registration Code Rule No. 68, we are stating that the Company has fifty-eight (58) shareholders owning one hundred (100) or more shares of the Company's capital stock as at December 31, 2025, as disclosed in Note 18 to the financial statements.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 01, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
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Malate, Manila 1004

TO THE SECURITIES AND EXCHANGE COMMISSION

In connection with our examination of the financial statements of **ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.,** (the Company) which are to be submitted to the Commission, we hereby represent the following:

1. That we are in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);

2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards (PFRS) Accounting Standards in all cases where we shall express an unqualified opinion; Except that in case of any departure from such principles; we shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;

3. That we shall fully meet the requirements of independence as provided for in Section 14 of the Code of Professional Ethics for CPAs;

4. That in the conduct of the audit, we shall comply with the Philippine Financial Reporting Standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitations in the scope of our examination, we shall indicate the nature of departure and the extent of the limitation, the reasons thereof and the effects thereof on the expression of our opinion or which may necessitate the negation of the expression of an opinion; and

5. That we shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements;

6. That relative to the expression of our opinion on the said financial statements, we shall not commit any act discreditable to the profession as provided for in Section 23 of the Code of Profession Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as the Managing Partner of Perez, Sese, Villa & Co., CPAs.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588
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Manila, Philippines
April 13, 2026

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CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To The Board of Directors and Shareholders
ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St., Daro, Dumaguete City
Negros Oriental

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.** (the Company) for the year ended December 31, 2025 and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of Financial Soundness Indicators, Reconciliation of Retained Earnings Available for Dividend Declaration, and Supplementary Schedules required by Annex 68-J, are the responsibility of the Company's management. This supplementary schedule is presented for the purpose of complying with the Revised Securities Regulation Code (SRC) Rule No. 68, and is not part of the basic financial statements. This supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
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valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026

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

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St., Daro, Dumaguete City
Negros Oriental

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.** (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of 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 the Company as at 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 audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Financial Statements of **ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC**. (the Company), as at and for the years ended December 31, 2024 and 2023 were audited by **ONG, NOCEJA & ASSOCIATES, C.P.A. and DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S,** respectively, whose report dated April 10, 2025 and April 8, 2024, respectively, expressed an unqualified opinion on these Financial Statements. These financial statements were presented for comparative purposes only.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 32 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 01, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025

(With Comparative Figures for December 31, 2024 and 2023)

	Notes	2025	2024 (As Restated, Note 30)	2023 (As Restated, Note 30)
ASSETS				
Current Assets				
Cash	*4,5,6*	₱ **148,725,865**	₱ 57,918,947	₱ 39,751,601
Trade and other receivables	*4,5,7*	**69,411,165**	84,882,564	78,908,425
Inventories	*4,5,8*	**36,905,597**	30,532,645	28,004,216
Prepayments and other current assets	*4,5,9*	**3,671,149**	5,049,558	47,250,652
Total Current Assets		**258,713,776**	178,383,714	193,914,894
Non-current Assets				
Advances to suppliers	*4,5,10*	**15,999,200**	7,976,814	13,415,999
Property, plant and equipment - net	*4,5,11*	**605,711,096**	636,148,809	685,679,761
Intangible asset, net	*4,5,12,30*	**27,554,220**	36,755,050	241,536
Deferred tax asset	*4,5,25*	**5,130,619**	3,662,544	4,838,818
Refundable deposit	*4,5,13*	**16,000**	16,000	16,000
Total Non-Current Assets		**654,411,135**	684,559,217	704,192,114
TOTAL ASSETS		₱ **913,124,911**	₱ 862,942,931	₱ 898,107,008
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	*4,14,30*	₱ **204,565,432**	₱ 87,785,191	₱ 85,771,651
Loans payable	*4,16*	**59,000,000**	155,750,000	163,000,000
Other current liabilities	*4,15,30*	**5,187,848**	2,855,708	3,008,174
Total Current Liabilities		**268,753,280**	246,390,899	251,779,825
Non-Current Liabilities				
Loans payable	*4,16*	-	24,000,000	138,750,000
Advances from shareholders	*4,24*	**47,558,354**	27,945,354	2,384,654
Retirement obligation	*4,17*	**5,747,237**	1,252,523	-
Total Non-Current Liabilities		**53,305,591**	53,197,877	141,134,654
Total Liabilities		**322,058,871**	299,588,776	392,914,479
Equity				
Share capital	*4,18*	**168,820,000**	168,600,000	167,710,000
Share premium	*4,18*	**402,940,800**	397,660,800	368,240,000
Retained earnings (Accumulated deficit)	*4*	**19,305,240**	(2,906,645)	(30,757,471)
Equity, net		**591,066,040**	563,354,155	505,192,529
TOTAL LIABILITIES AND EQUITY		₱ **913,124,911**	₱ 862,942,931	₱ 898,107,008

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS, INC.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For The Year Ended December 31, 2025

(With Comparative Figures For The Years Ended December 31, 2024 and 2023)

	Notes	**2025**	2024	2023
REVENUE, net	*4,19,30*	₱ **609,670,225**	₱ 613,058,922	₱ 605,497,293
COST OF SALES AND SERVICES	*4,20,30*	**(413,673,473)**	(417,694,316)	(446,741,619)
GROSS INCOME		**195,996,752**	195,364,606	158,755,674
OPERATING EXPENSES	*4,21,30*	**(160,504,123)**	(153,663,061)	(112,759,792)
OTHER INCOME	*4,22*	**4,135,987**	5,567,102	23,058
FINANCE COST	*4,16, 24*	**(7,925,243)**	(15,100,484)	(23,578,593)
INCOME BEFORE INCOME TAX		**31,703,373**	32,168,163	22,440,347
INCOME TAX EXPENSE	*4,25*			
Current		**(10,959,563)**	(7,979,881)	-
Deferred		**1,468,075**	3,662,544	(576,076)
		(9,491,488)	(4,317,337)	(576,076)
NET INCOME FOR THE PERIOD		**22,211,885**	27,850,826	21,864,271
COMPREHENSIVE INCOME (LOSS)		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		₱ **22,211,885**	₱ 27,850,826	₱ 21,864,271

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS, INC.

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended December 31, 2025

(With Comparative Figures For The Years Ended December 31, 2024 and 2023)

	Notes	**2025**	2024	2023
SHARE CAPITAL	*4,18*			
Balance, beginning of the period		₱ **168,600,000**	₱ 167,710,000	₱ 167,180,000
Issuance		**220,000**	890,000	530,000
Balance, end of the period		**168,820,000**	168,600,000	167,710,000
SHARE PREMIUM	*4,18*			
Balance, beginning of the period		₱ **397,660,800**	₱ 368,240,000	₱ 355,520,000
Additions		**5,280,000**	29,420,800	12,720,000
Balance, end of the period		**402,940,800**	397,660,800	368,240,000
ACCUMULATED DEFICITS	*4*			
Balance, beginning of the period		**(2,906,645)**	(30,757,471)	(52,621,742)
Net income for the period		**22,211,885**	27,850,826	21,864,271
Balance, end of the period		**19,305,240**	(2,906,645)	(30,757,471)
EQUITY, net		₱ **591,066,040**	₱ 563,354,155	₱ 505,192,529

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS, INC.

STATEMENTS OF CASH FLOWS
For The Year Ended December 31, 2025
(With Comparative Figures For The Years Ended December 31, 2024 and 2023)

	Notes	2025	2024 (As Restated, Note 30)	2023 (As Restated, Note 30)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱ **31,703,373**	₱ 32,168,163	₱ 22,440,347
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation	*4,11,23*	**69,769,933**	72,439,673	78,370,694
Amortization	*4,12,23,30*	**9,200,830**	9,368,160	87,179
Expected credit losses	*4,7,26*	**5,782,556**	4,421,352	8,976,338
Retirement benefit obligation	*4,5,13*	**4,494,714**	1,252,523	-
Interest expense	*4,16*	**7,925,243**	15,100,484	23,578,593
Interest income	*4,6,22*	**(116,285)**	(48,686)	(23,058)
Operating income before changes in working capital		**128,760,364**	134,701,669	133,430,093
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Trade and other receivables	*4,5,7*	**9,688,843**	5,974,139	9,681,500
Inventories	*4,5,8*	**(6,372,952)**	(2,528,429)	(90,791)
Prepayments and other current assets	*4,5,9*	**(97,651)**	30,670,282	(16,393,564)
Increase (decrease) in:				
Trade and other payables	*4,14,30*	**116,780,241**	2,013,540	(2,016,875)
Other current liabilities	*4,15,30*	**2,332,140**	(152,466)	453,782
Cash generated from operation		**251,090,985**	170,678,735	125,064,145
Income tax paid	*4,25*	**(9,483,503)**	(7,979,881)	(2,381,335)
Net cash provided by operating activities		**241,607,482**	162,698,854	122,682,810
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*4,11*	**(39,332,220)**	(22,908,721)	(21,224,708)
Payment for advances to suppliers	*4,10*	**(8,022,386)**	-	-
Appplied advances	*4,10*	-	5,439,185	1,118,362
Interest received	*4,6*	**116,285**	48,686	23,058
Additions to intangible assets	*4,12,30*	-	(45,881,674)	-
Net cash used in investing activities		**(47,238,321)**	(63,302,524)	(20,083,288)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from additional share capital	*4,18*	**220,000**	890,000	530,000
Proceeds from additional share premium	*4,18*	**5,280,000**	29,420,800	12,720,000
Receipt of advances from shareholders	*4,24*	**19,613,000**	25,560,700	-
Payment of advances to shareholder		-	-	(10,245,000)
Payments of loan	*4,16*	**(120,750,000)**	(122,000,000)	(114,750,000)
Payments of interest	*4,16*	**(7,925,243)**	(15,100,484)	(23,578,593)
Net cash used in financing activities		**(103,562,243)**	(81,228,984)	(135,323,593)
NET (DECREASE) INCREASE IN CASH		**90,806,918**	18,167,346	(32,724,071)
CASH AT THE BEGINNING OF THE YEAR		**57,918,947**	39,751,601	72,475,672
CASH AT THE END OF THE YEAR		₱ **148,725,865**	₱ 57,918,947	₱ 39,751,601

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025
(With Comparative Figures For December 31, 2024 and 2023)

NOTE 1 - GENERAL INFORMATION

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS 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. CS201506626 on April 1 , 2015.

The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinic, condo-hospital, scientific research institutions and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licenses 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 was issued its Board of Investments (BOI) Certificate of Registration no. 2019-034 on February 9, 2019. As a BOI-Registered Non-Pioneer Status Hospital, the Company enjoyed certain grants, particularly, but not limited to - Income Tax Holiday - for a period of 4 year starting from the start of its commercial operations.

On June 28,2019, the SEC En Banc under SEC MSRD Order No. 37 approved effective the registrant statement of the Company for 186,000 shares broken down as follows: the primary offering to be sold by way of public offering for 36,000 shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from P250,000 up to P400,000 per block. Issued and outstanding Founder shares (600) and common shares (149,400) are not included in the offer. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders, as may be issued by the Commission.

The registered office of the Company is located at DML Building, North Road, Dumaguete City The hospital is located at F. Cimafranca St., Daro, Dumaguete City, Negros Oriental.

Approval of the Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2025 including its comparative figure for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on April 13, 2026.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

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

Basis of Preparation and Measurement

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

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

The financial statements of the Company have been prepared on a historical cost basis, except for financial asset carried at fair value through profit or loss and financial asset at fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

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

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

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

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

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

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

- Note 5 - Significant Accounting Judgements and Estimates
- Note 28 - Fair Value Measurement

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

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

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

Effective beginning on or after January 1, 2026

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

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

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

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

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

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

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

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

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

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

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

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

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

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

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

- Amendments to PFRS 9

  - Lessee Derecognition of Lease Liabilities

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

  - Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

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

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

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

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

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

The application of the standard is optional for eligible entities.

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

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

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

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

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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

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

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

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

Classification of financial instruments

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

An asset is current when it is:

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

The Company classifies all other assets as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

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

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

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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

Classification

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

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

Financial Assets at Amortized Cost

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

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

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

As at December 31, 2025, 2024 and 2023, the Company's cash, trade and other receivables and refundable deposit are classified under this category. (Note 6, 7 and 14)

Cash

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

Receivables

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

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

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

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

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

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

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

Financial liabilities

Classification and presentation

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

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

Financial Liabilities at Amortized Cost

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

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

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

As at December 31, 2025, 2024 and 2023, the Company's trade and other payables, loans payable and advances from shareholders are classified under this category (Notes 14, 16 and 24).

Trade and Other Payables

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

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

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

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVTPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

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

For a financial asset reclassified out of the financial assets at 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 shall be recognized in profit or loss.

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

Impairment of Financial Assets

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

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

<u>Simplified approach</u>

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

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

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

General approach

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

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

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

Write-off

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

Derecognition of Financial Assets and Liabilities

Financial Assets

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

- the right to receive cash flows from the asset has expired;

- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Inventories

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

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

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

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

Write-offs represent the release of previously recorded provision from the allowance account and credited to the related inventory account following the disposal of the inventories. Destruction of the obsolete and damaged inventories is made in the presence of regulatory agencies.

At each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its net realizable value. If an item of inventory is impaired, its carrying amount is reduced to net realizable value, and an impairment loss is recognized immediately in profit and loss. Any reversal of impairment is recognized also in profit or loss.

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

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

Prepayments and Other Current Assets

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

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

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

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

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

Input VAT represents the value-added tax paid by the Company on its purchases of goods and services from VAT-registered suppliers. It is recognized as a current asset to the extent that it is recoverable by tax authorities or creditable against output VAT. Input VAT is applied against output VAT in determining the VAT payable. Any excess of input VAT over output VAT is carried forward to subsequent periods and presented as a current asset.

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

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

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

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

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

Advances to Suppliers

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

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

the obligation. Other current liabilities are presented in the statement of financial position at their undiscounted amounts, as they are generally expected to be settled within one year.

Equity

Share Capital

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

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

Share Premium

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

Retained Earnings (Deficits)

Retained earnings comprise the accumulated profits and losses of the Company recognized in profit or loss in the current and prior years, less dividends declared to shareholders. Retained earnings are likewise adjusted for the effects of retrospective application of changes in accounting policies and corrections of prior period errors.

Revenue

Revenue recognition

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

Hospital revenue

Hospital revenue represents income derived from the provision of primary healthcare and medical services. Revenue is recognized over time as the services are rendered, since the patient simultaneously receives and consumes the benefits provided by the Company as the performance obligation is satisfied.

Amounts collected on behalf of third parties are excluded from revenue. Professional fees of doctors collected from patients on behalf of the physicians are recognized as a liability and subsequently remitted to the respective doctors; accordingly, these amounts are not recognized as part of hospital revenue.

Sale of drugs and medicines

Revenue from the sale of drugs and medicines is recognized at a point in time when control of the goods is transferred to the customer, generally upon dispensing or delivery of the medicines to the patient or customer.

Other Income

Other income includes revenues from cafeteria operations and other ancillary services. Revenue from these activities is recognized over time as the related goods or services are provided and the customer simultaneously receives and consumes the benefits.

Interest income

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

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity holders.

Expenses are generally recognized in profit or loss in the period in which the related goods or services are received or when the obligation is incurred.

Cost of Sales and Services

Cost of sales and services represent the direct costs attributable to the sale of goods and the rendering of services. These costs are recognized in profit or loss in the same period in which the related revenues are recognized.

Operating Expenses

Operating expenses consist of selling and general and administrative expenses incurred in the normal course of business.

Selling expenses include costs directly related to marketing, promotion, and distribution of goods and services to customers.

General and administrative expenses include costs associated with the overall administration and management of the Company's operations. These include, among others, directors' allowances, employees' salaries and benefits, transportation and travel, meetings and conferences, advertising and promotions, professional fees, taxes and licenses, office supplies, communication, light and water, repairs and maintenance, bank charges, insurance, representation, interest expense, fines and penalties, and other miscellaneous administrative expenses.

Borrowing costs

Borrowing costs consist of interest and other costs incurred by the Company in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. Capitalization of borrowing costs commences when expenditures for the assets are being incurred, borrowing costs are being incurred, and activities necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale.

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

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

Income Tax

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

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

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

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

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

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

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

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

Earning per Share

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

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

Employee Benefits

Short-term benefits

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

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

Retirement Benefits

The Company provides retirement benefits to its qualified employees in accordance with the provisions of Republic Act No. 7641. While the Company does not maintain a formal funded retirement plan, it recognizes a retirement benefit obligation based on the minimum requirements prescribed under applicable law.

Under Republic Act No. 7641, employees who have reached the age of sixty (60) years or more, but not beyond sixty-five (65) years (the compulsory retirement age), and have rendered at least five (5) years of service, are entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, with a fraction of at least six (6) months considered as one (1) whole year.

The Company recognizes a liability for retirement benefits representing the estimated amount payable to employees who qualify under Republic Act No. 7641 as at the reporting date.

The retirement benefit obligation is determined internally by management based on the provisions of Republic Act No. 7641.

The computation is based on:
- Employees who are qualified as at reporting date;
- Latest salary rates; and
- Actual years of service.

The obligation is measured on an undiscounted basis, and is updated at each reporting date to reflect movements in employee status, salary levels, and length of service.

Management believes that this method provides a reasonable approximation of the retirement benefit obligation, taking into account the Company's employee profile and the nature of its operations.

Retirement benefit expense is recognized in profit or loss as part of employee benefits expense when incurred.

The retirement benefit obligation is unfunded, and no plan assets have been set aside.

Benefits paid to qualified employees are charged against the recognized liability upon settlement.

Management assessed that the impact of discounting the obligation and applying a full actuarial valuation is not expected to be material to the financial statements.

Management will reassess the need to obtain an actuarial valuation in the future should the retirement benefit obligation become significant.

Related Party Transactions and Relationships

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

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

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

Leases

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for a consideration.

Determination as to whether a contract is, or contains, a lease is made at the inception of the lease. Accordingly, the Company assesses whether the contract meets three key evaluations which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as Lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed), variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability is increased for interest incurred and reduced for lease payments made.

The right-of-use asset is initially measured at the amount of lease liability adjusted for any initial direct costs incurred by the lessee, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Provisions and contingencies

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

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

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

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

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

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

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

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

Subsequent events

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

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

The following are the significant judgement, accounting estimates and assumptions by the Company:

Judgment

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

Determination of ECL on Financial Assets

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

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

Assessment of Impairment of Nonfinancial Assets

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

No impairment loss on non-financial assets was recognized in the Company's financial statements in either 2025, 2024 or 2023.

Determination of Net Realizable Value of Inventories

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

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

Determining Retirement Benefits

The Company provides retirement benefits to qualified employees in accordance with applicable labor laws and the Company's retirement policy. The retirement benefit obligation represents the present value of the expected future payments required to settle the obligation resulting from employee services rendered in the current and prior periods.

In determining the retirement benefit liability, management applied judgment and estimates in measuring the obligation. Due to the limited number of employees covered by the plan, the Company did not engage an independent actuary to perform a formal actuarial valuation. Instead, management estimated the retirement benefit obligation based on current salary levels multiplied by the number of years of service of employees who are expected to qualify for retirement benefits, in accordance with the Company's retirement policy and the minimum benefits required under applicable labor regulations.

Management believes that this method provides a reasonable estimate of the retirement benefit obligation considering the size of the workforce and the nature of the Company's operations. However, the actual obligation may differ from these estimates due to changes in employee salaries, years of service, employee turnover, and other factors affecting the timing and amount of future benefit payments.

Management will reassess the methodology used to estimate the retirement benefit obligation and may obtain an actuarial valuation in the future should the number of employees increase or if the retirement benefit obligation becomes significant.

Estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Estimation of Allowance for ECL

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

Estimating useful lives of property, plant and equipment

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

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

Description	Useful Lives
Building and improvement	25 years
Land Improvement	5 years
Hospital and office furniture and equipment	3-5 years
Transportation equipment	5 years
Medical machines and equipment	3-15 years

Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025, 2024 and 2023, will be fully utilized in the coming years. The carrying value of deferred tax assets is disclosed in Note 25.

NOTE 6 - CASH

This account consists of:

	2025	2024	2023
Cash on hand	**₱ 154,000**	₱ 5,054,231	₱ 154,000
Cash in banks	**148,571,865**	52,864,716	39,597,601
	₱ 148,725,865	₱ 57,918,947	₱ 39,751,601

Cash in bank generally earns interest at rates based on daily bank deposit rates. These are unrestricted and available for use in the Company's operation.

Interest income earned from cash in banks amounted to ₱116,285, ₱48,686 and ₱23,058 in 2025, 2024 and 2023, respectively. These are presented under Other Income in the statements of comprehensive income (loss). (Note 22)

NOTE 7 - TRADE AND OTHER RECEIVABLES

This account consists of:

	2025	2024	2023
Trade receivable	**₱ 83,087,983**	₱ 97,279,126	₱ 85,748,129
Advances to officers and employees	**188,164**	175,826	1,185,826
Other receivables	**910,291**	825,302	950,808
	84,186,438	98,280,254	87,884,763
Allowance for credit losses (Note 26)	**(14,775,273)**	(13,397,690)	(8,976,338)
	₱ 69,411,165	₱ 84,882,564	₱ 78,908,425

Trade and other receivables consist primarily of trade receivables, advances to employees, and other receivables.

Trade receivables pertain to amounts due from patients for hospital and medical services rendered, including reimbursements from healthcare and government institutions such as Health Maintenance Organizations (HMOs), the Philippine Charity Sweepstakes Office (PCSO), the Philippine Social Welfare Department (PSWD), the Department of Social Welfare and Development (DSWD), and PhilHealth for services availed of by patients.

Advances to officers and employees represent amounts granted to employees which are recoverable through salary deductions over an agreed repayment period.

Other receivables consist mainly of maternity and sickness benefit receivable from SSS and other miscellaneous receivables arising from the Company's operations.

Trade and other receivables are initially recognized at transaction price and subsequently measured at amortized cost, net of any allowance for expected credit losses.

The Company applies the expected credit loss (ECL) model in measuring impairment of financial assets measured at amortized cost. In estimating expected credit losses, the Company considers historical credit loss experience, current conditions, and forward-looking information that may affect the collectability of receivables.

Trade receivables are assessed collectively based on shared credit risk characteristics and the aging profile of the receivables. Advances to employees and other receivables are evaluated individually or collectively depending on the nature and credit risk characteristics of the receivables.

The allowance for expected credit losses is reviewed at each reporting date and adjusted to reflect changes in credit risk and forward-looking economic factors that may affect the recoverability of receivables.

The Company recognized provision for expected credit losses amounting to ₱14,775,273 in 2025, ₱13,397,690 in 2024 and ₱8,976,338 in 2023, which is presented as part of operating expenses in the statements of comprehensive income.

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

		2025		2024		2023
Balance at January 1	**₱**	**13,397,690**	₱	8,976,338	₱	-
Credit losses		**5,782,556**		4,421,352		8,976,338
Write off		**(4,404,973)**		-		-
Balance, December 31	**₱**	**14,775,273**	₱	13,397,690	₱	8,976,338

NOTE 8 - INVENTORIES

This account consists of:

		2025		2024		2023
Pharmacy supplies	**₱**	**13,818,633**	₱	7,814,825	₱	6,641,655
Medical and laboratory supplies		**16,594,737**		15,009,925		13,546,840
Maintenance supplies		**6,492,227**		7,707,895		7,815,721
	₱	**36,905,597**	₱	30,532,645	₱	28,004,216

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

The Company recognized as expense inventories costing ₱61,616,992, ₱70,662,085 and ₱48,013,738 in 2025, 2024 and 2023, respectively. (Note 20)

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

NOTE 9 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2025	2024	2023
Prepayments	₱ **1,156,567**	₱ 959,130	₱ 1,156,006
Prepaid income tax	**1,670,398**	3,146,458	1,591,987
Input VAT	**694,184**	793,970	44,352,659
Advances for liquidation	**150,000**	150,000	150,000
	₱ **3,671,149**	₱ 5,049,558	₱ 47,250,652

Prepayments and other current assets consist mainly of prepaid expenses, input taxes, advances for liquidation, and prepaid income taxes, which are expected to be realized or utilized within one year from the reporting date.

Prepayments represent payments made in advance for services to be received in future periods including but not limited to insurance premiums. These are initially recognized at cost and subsequently amortized or recognized as expense over the period to which the benefits relate.

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

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

Advances for liquidation pertain to cash advances for official business expenses.

NOTE 10 - ADVANCES TO SUPPLIERS

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

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

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

The balances of advances to suppliers as at December 31 are as follows:

- ₱15,999,200 in 2025
- ₱7,976,814 in 2024
- ₱13,415,999 in 2023

The movement on this account is as follows:

		2025		2024		2023
Beginning balance	₱	**7,976,814**	₱	13,415,999	₱	14,534,361
Advances during the year		**8,799,200**		258,125		990,500
Less: Completion/Delivery		**(776,814)**		(5,697,310)		(2,108,862)
	₱	**15,999,200**	₱	7,976,814	₱	13,415,999

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT – net

A reconciliation of the carrying amounts at the beginning and end of the year ending December 31, 2025, 2024 and 2023 of property and equipment is shown below:

2025

	Land	Land Improvement	Building and Building Improvement	Medical Machineries and Equipment	Transportation Equipment	Hospital and office Furniture and Equipment	Total
Costs							
January 1, 2025	₱ 52,763,860	₱ 555,000	₱ 623,757,608	₱ 282,507,074	₱ 3,123,100	₱ 54,865,921	₱ 1,017,572,563
Additions	-	-	380,000	32,937,891	-	6,014,329	39,332,220
Disposals	-	-	-	-	-	-	-
December 31, 2025	52,763,860	555,000	624,137,608	315,444,965	3,123,100	60,880,250	1,056,904,783
Accumulated depreciation							
January 1, 2025	-	555,000	127,896,322	219,395,277	1,977,215	31,599,940	381,423,754
Depreciation	-	-	26,480,676	36,585,827	269,620	6,433,810	69,769,933
Disposals	-	-	-	-	-	-	-
December 31, 2025	-	555,000	154,376,998	255,981,104	2,246,835	38,033,750	451,193,687
Carrying amount							
December 31, 2025	**₱ 52,763,860**	**₱ -**	**₱ 469,760,610**	**₱ 59,463,861**	**₱ 876,265**	**₱ 22,846,500**	**₱ 605,711,096**
Carrying amount							
December 31, 2024	₱ 52,763,860	₱ -	₱ 495,861,286	₱ 63,111,797	₱ 1,145,885	₱ 23,265,981	₱ 636,148,809

2024

	Land	Land Improvement	Building and Building Improvement	Medical Machineries and Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Costs							
January 1, 2024	₱ 52,763,860	₱ 555,000	₱ 623,431,877	₱ 264,896,244	₱ 1,775,000	₱ 51,241,861	₱ 994,663,842
Additions	-	-	325,731	17,610,830	1,348,100	3,624,060	22,908,721
Disposals	-	-	-	-	-	-	-
December 31, 2024	52,763,860	555,000	623,757,608	282,507,074	3,123,100	54,865,921	1,017,572,563
Accumulated depreciation							
January 1, 2024	-	555,000	101,453,682	179,550,989	1,775,000	25,649,410	308,984,081
Depreciation	-	-	26,442,640	39,844,288	202,215	5,950,530	72,439,673
Disposals	-	-	-	-	-	-	-
December 31, 2024	-	555,000	127,896,322	219,395,277	1,977,215	31,599,940	381,423,754
Carrying amount							
December 31, 2024	**₱ 52,763,860**	**₱ -**	**₱ 495,861,286**	**₱ 63,111,797**	**₱ 1,145,885**	**₱ 23,265,981**	**₱ 636,148,809**
Carrying amount							
December 31, 2023	₱ 52,763,860	₱ -	₱ 521,978,195	₱ 85,345,255	₱ -	₱ 25,592,451	₱ 685,679,761

2023

	Land	Land Improvement	Building and Building Improvement	Medical Machineries and Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Costs							
January 1, 2023	₱ 52,763,860	₱ 555,000	₱ 617,164,392	₱ 254,256,832	₱ 1,775,000	₱ 46,924,050	₱ 973,439,134
Additions	-	-	6,267,485	10,639,412	-	4,317,811	21,224,708
Disposals	-	-	-	-	-	-	-
December 31, 2023	52,763,860	555,000	623,431,877	264,896,244	1,775,000	51,241,861	994,663,842
Accumulated depreciation							
January 1, 2023	-	555,000	75,090,357	132,876,206	1,405,221	20,686,603	230,613,387
Depreciation	-	-	26,363,325	46,674,783	369,779	4,962,807	78,370,694
Disposals	-	-	-	-	-	-	-
December 31, 2023	-	555,000	101,453,682	179,550,989	1,775,000	25,649,410	308,984,081
Carrying amount							
December 31, 2023	**₱ 52,763,860**	**₱ -**	**₱ 521,978,195**	**₱ 85,345,255**	**₱ -**	**₱ 25,592,451**	**₱ 685,679,761**
Carrying amount							
December 31, 2022	₱ 52,763,860	₱ -	₱ 542,074,035	₱ 121,380,626	₱ 369,779	₱ 26,237,447	₱ 742,825,747

Depreciation expenses amounted to ₱69,769,933, ₱72,439,673 and ₱78,370,694 for the years ended December 31, 2025, 2024 and 2023, respectively. These are presented in the statements of comprehensive income (loss) as follows:

	2025	2024	2023
Cost of sales and services (Note 20)	**₱ 53,586,397**	₱ 58,354,137	₱ 65,498,889
Operating expenses (Note 21)	**16,183,536**	14,085,536	12,871,805
Total	**₱ 69,769,933**	₱ 72,439,673	₱ 78,370,694

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition or construction of the asset.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets:

Land is not depreciated. Depreciation commences when the asset is available for its intended use.

The land covered by TCT # 109-2015000619 and 109-2015000621 amounting to ₱52,438,860 with total area of 7,833 sqm is located at F. Cimafranca St., Daro, Dumaguete City where the Company had constructed a multidisciplinary specialty medical facility (hospital) and is the subject of a real estate mortgage including all other existing and future improvements thereon as disclosed in Note 16. The fair market value of the land as at December 31, 2025 and 2024 approximates its cost.

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.

The carrying value of the land and buildings and improvements and machineries used as collateral amounted to ₱581,988,331 ₱611,736,943, and ₱660,087,310 as of December 31, 2025, 2024, and 2023, respectively.

NOTE 12 - INTANGIBLE ASSET, net

Intangible asset pertains to hospital information system. Movement in 2025 is as follows:

	2025	2024	2023
Costs			
Balance, beginning of the year	**₱ 46,317,567**	₱ 435,893	₱ 435,893
Additions	-	45,881,674	-
Disposals	-	-	-
Balance, end of the year	**46,317,567**	46,317,567	435,893
Accumulated amortization			
Balance, beginning of the year	**₱ 9,562,517**	₱ 194,357	₱ 107,178
Additions	**9,200,830**	9,368,160	87,179
Disposals			
Balance, end of the year	**18,763,347**	9,562,517	194,357
Carrying amount	**₱ 27,554,220**	₱ 36,755,050	₱ 241,536

Intangible assets consist primarily of the Hospital Information System (HIS) acquired by the Company and an internally developed medical technology consisting of an integrated digital clinical support platform. These are intended to support its hospital operations, including patient information management, billing, medical records processing and documentation, and other administrative and operational functions.

Intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. The cost of the intangible asset includes the purchase price and other directly attributable costs necessary to bring the asset to its intended use.

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

Amortization expense charged to operations amounted to ₱9,200,830, ₱9,368,160 and ₱87,179 for the years ended December 31, 2025, 2024, and 2023, respectively.

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

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

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

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

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

NOTE 13 - REFUNDABLE DEPOSITS

Refundable deposits represent amounts paid to various utility providers and other service entities in connection with the Company's operations. These deposits are recoverable upon termination of the related service contracts, subject to compliance with the terms and conditions of the agreements.

As at December 31,2025 and 2024 the balance of refundable deposits amounted top ₱16,000.

The deposits are classified as non-current assets as they are expected to be recovered beyond twelve (12) months from the reporting date, unless otherwise settled or applied against outstanding obligations.

Refundable deposits are initially recognized at cost and subsequently measured at amortized cost, which approximates their nominal value due to their short-term or non-interest-bearing nature.

The deposits are non-interest bearing. No impairment loss has been recognized as management assessed that the amounts are fully recoverable. There are no restrictions on the recovery of these deposits other than compliance with contractual terms.

NOTE 14 - TRADE AND OTHER PAYABLES

This account consists of:

	2025	2024	2023
Trade payable	**₱ 189,409,200**	₱ 70,364,846	₱ 69,915,878
Accrued expenses	**4,796,494**	4,448,761	5,549,158
Retention Payable	**-**	-	510,000
Other payables	**10,359,738**	12,971,584	9,796,615
	₱ 204,565,432	₱ 87,785,191	₱ 85,771,651

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

Accrued expenses represent liabilities for expenses incurred but not yet billed or paid as of the reporting date. These include, among others, communication expenses, utilities (light and water), professional fees, security services, housekeeping services, and employee-related benefits.

Retention payable represents amounts retained by the Company from contractors' progress billings in accordance with the terms of the construction contracts. These amounts are payable upon completion of the project and acceptance of the contractor's work by the Company, subject to the terms and conditions of the construction agreement.

Other payables are also non-interest-bearing payables arising from the acquisition of hospital equipment, outstanding and stale checks and liabilities arising from payroll deductions. They do not earn interest and are expected to be settled within a short period of time.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost. Due to their short-term nature, the carrying amounts of these liabilities approximate their fair values.

NOTE 15 - OTHER CURRENT LIABILITIES

This account consists of:

		2025		2024		2023
Statutory payables	₱	**1,588,493**	₱	1,466,862	₱	1,422,699
Due to BIR		**3,599,355**		1,388,846		1,585,475
	₱	**5,187,848**	₱	2,855,708	₱	3,008,174

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

Due to BIR consists of obligations to Bureau of Internal Revenue such as documentary stamp, withholding taxes and value added tax.

NOTE 16 - LOANS PAYABLE

The Company has obtained various loan facilities from Land Bank of the Philippines – Negros Lending Center to finance the construction of its hospital facilities and the acquisition of medical equipment, hospital furniture, and fixtures.

The total approved credit facility amounts to ₱500,000,000, consisting of term loans and short-term working capital financing.

Terms and Conditions of Borrowings

The loan facilities consist of the following:

- Term Loan 1 – amounting to ₱400,000,000, obtained in 2015 to finance the construction of the hospital building;
- Term Loan 2 – amounting to ₱100,000,000, used for the acquisition of medical equipment and hospital furniture; and
- Short-term loan facility – amounting to ₱50,000,000, obtained on December 18, 2019 to support working capital requirements.

The loans were availed through several drawdowns and are payable over a period ranging from 7 to 10 years, with quarterly amortizations and grace periods on principal ranging from 1 to 3 years.

The loans bear interest at:

- Floating rates, based on the lender's prevailing rates, subject to periodic repricing; and
- Fixed rates of approximately 6% per annum.

Security and Collateral

The loans are secured by a real estate mortgage over the Company's land, including existing and future improvements and chattel mortgage over certain medical equipment and machinery amounting to P581,988,331, P611,736,943 and P660,087,310 as of December 31, 2025, 2024 and 2023 respectively. (Note 11).

Details of the carrying amount of pledged assets is as follows:

		2025		2024		2023
Land and building	₱	**522,524,470**	₱	548,625,146	₱	574,742,055
Medical equipment		**59,463,861**		63,111,797		85,345,255
Total	₱	**581,988,331**	₱	611,736,943	₱	660,087,310

Financial Covenants

The loan agreements require the Company to comply with certain financial covenants, including:

- Maintaining a debt-to-equity ratio not exceeding 75:25;
- Maintaining a minimum current ratio of 1:1;
- Maintaining a minimum debt service coverage ratio (DSCR) of 1.2:1; and
- Restricting the incurrence of additional long-term indebtedness, guarantees, or encumbrances without prior lender approval.

As at December 31, 2025, 2024, and 2023, management has assessed that the Company is in compliance with all financial covenants and other loan requirements.

Carrying Amounts

Outstanding balances of loans payable are presented as follows:

		2025		2024		2023
Current	₱	**59,000,000**	₱	155,750,000	₱	163,000,000
Non-current		**-**		24,000,000		138,750,000
Total	**₱**	**59,000,000**	₱	179,750,000	₱	301,750,000

Movement in loans payable is as follows:

		2025		2024		2023
Beginning balance	**₱**	**179,750,000**	₱	301,750,000	₱	416,500,000
Proceeds		**-**		-		-
Payments		**(120,750,000)**		(122,000,000)		(114,750,000)
Ending balance	**₱**	**59,000,000**	₱	179,750,000	₱	301,750,000

Interest Expense

Interest expense recognized in profit or loss amounted to ₱7,925,243 in 2025, ₱15,100,484 in 2024 and ₱22,682,363 in 2023.

Interest expense is presented as part of finance costs in the statements of comprehensive income.

The company's construction of Hospital Building was completed in 2019 and was reclass to proper account. No capitalized Borrowing costs directly attributable to the construction of qualifying assets were capitalized as part of property and equipment in 2025, 2024 and 2023.

Maturity Analysis (PFRS 7)

The maturity profile of the Company's loans payable based on contractual undiscounted cash flows is as follows:

		2025		2024		2023
Within on (1) year	**₱**	**59,347,266**	₱	160,808,121	₱	160,826,010
More than one (1) year but not more than five (5) years		**-**		24,347,266		125,405,387
More than five (5) years		**-**		-		-
Total	**₱**	**59,347,266**	₱	185,155,387	₱	232,231,397

Fair Value of Loans

The carrying amounts of loans payable approximate their fair values, as the loans bear interest at rates comparable to prevailing market rates.

The loans are denominated in Philippine Peso. There were no defaults or breaches of loan agreements during the years presented. The Company manages liquidity risk by ensuring sufficient cash flows and available credit facilities to meet its obligations.

NOTE 17 - RETIREMENT BENEFIT OBLIGATION

The Company is in the process of establishing and formally adopting a Defined Contribution (DC) retirement plan covering all regular full-time employees. Under the DC plan, the Company will pay fixed contributions based on employees' monthly salaries. In accordance with IAS 19, par. 51 to 52, once the contributions are paid, the Company has no further legal or constructive obligation to make additional payments.

Pending the completion of the formal retirement benefit program and the actuarial valuation, which are expected to be finalized in 2026, the retirement obligation recognized as of December 31, 2025 and 2024 was provisionally measured based on the minimum benefit formula prescribed Retirement Pay Law (Republic Act No. 7641).

Details of the movement in this account is as follows:

		2025		2024
Benefit Obligation at the beginning	₱	**1,252,523**	₱	-
Service Cost for the year (Note 21)		**4,494,714**		1,252,523
Benefit Obligation at the end	₱	**5,747,237**	₱	1,252,523

NOTE 18 - SHARE CAPITAL

The details of the Company's authorized, issued and outstanding capital as at December 31, 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
	Amount	**Number of Shares**	Amount	Number of Shares	Amount	Number of Shares
Authorized capital stock:						
Common shares - ₱1,000 par value	**₱239,400,000**	**239,400**	₱239,400,000	239,400	₱239,400,000	239,400
Founder's shares – ₱1,000 par value	**600,000**	**600**	600,000	600	600,000	600
	240,000,000	**240,000**	240,000,000	240,000	240,000,000	240,000
Subscribed:						
Common shares - ₱1,000 par value	**168,220,000**	**168,220**	168,000,000	168,000	167,110,000	167,110
Founder's shares – ₱1,000 par value	**600,000**	**600**	600,000	600	600,000	600
	168,820,000	**168,820**	168,600,000	168,600	167,710,000	167,710
Less: Subscription receivable						
Common shares - ₱1,000 par value	**-**	**-**	-	-	-	-
Issued and outstanding	**₱168,820,000**	**168,820**	₱168,600,000	168,600	₱167,710,000	167,710

A reconciliation of the outstanding shares at the beginning and end of December 31, 2025, 2024 and 2023 is shown below:

		2025		2024		2023
Outstanding, beginning	₱	**168,600**	₱	167,710	₱	167,180
Issuance		**220**		890		530
Reacquisition		**-**		-		-
Outstanding, ending	₱	**168,820**	₱	168,600	₱	167,710

Nature and Rights of Shares

The Company has two classes of shares, namely common shares and founders' shares, both with a par value of ₱1,000 per share.

- Common shares entitle holders to one vote per share, to receive dividends as declared by the Board of Directors, and to participate in the distribution of residual assets upon liquidation.
- Founders' shares have exclusive voting rights for a period of five (5) years from the date of registration. Thereafter, such shares shall have rights and privileges equivalent to those of common shares.

There are no restrictions on the distribution of dividends, except those provided under applicable laws and regulations.

Founders' shares have the exclusive right to vote and be voted for the election of Directors for five (5) years from the date of registration. Thereafter, the holders of Founders' shares shall have the same rights and privileges as holders of common shares.

Share Premium

Share premium represents the excess of proceeds over the par value of shares issued net of directly attributable transaction costs.

		2025		2024		2023
Beginning balance	₱	**383,980,000**	₱	386,240,000	₱	355,520,000
Additions from share issuance		**5,280,000**		15,740,800		12,720,000
Less: Transaction costs				-		-
Ending Balance	₱	**389,260,000**	₱	383,980,800	₱	368,240,000

Transaction costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of any related tax benefit.

Share Issuances

In 2025, the Company issued 220 common shares (2024: 890 shares; 2023: 530 shares) at an offer price ranging from ₱250,000 to ₱400,000 per share, resulting in the recognition of share premium amounting to ₱5,280,000 (2024: ₱15,740,800; 2023: ₱12,720,000), net of transaction costs of ₱nil.

As at December 31, 2025, pursuant to the SEC's approval of the Company's registration statement of its public offering of its shares of stock, the Company issued a total of TWO HUNDRED TWENTY (220) common shares during the year. The related share premium arising thereof, after deducting transaction costs associated with the issuance of shares amounted to ₱5,280,000 for the year ended December 31, 2024. The common share offer price amounted to ₱250,000 up to ₱400,000 per block, one (1) block is equivalent to ten (10) common shares.

As at December 31, 2024, pursuant to the SEC's approval of the Company's registration statement of its public offering of its shares of stock, the Company issued a total of EIGHT HUNDRED NINETY (890) common shares during the year. The related share premium arising thereof, after deducting transaction costs associated with the issuance of shares amounted to ₱15,740,800 for the year ended December 31, 2024. The common share offer price amounted to ₱250,000 up to ₱400,000 per block, one (1) block is equivalent to ten (10) common shares.

As at December 31, 2023, the Company issued a total of FIVE HUNDRED THIRTY (530) common shares during the year. The related share premium arising thereof, after deducting transaction costs associated with the issuance of shares amounted to ₱12,720,000 for the year ended December 31, 2023. The common share offer price amounted to ₱250,000 up to ₱400,000 per block, one (1) block is equivalent to ten (10) common shares.

Other Equity Transactions

On December 12, 2024, the Board of Directors approved the recognition of collections from medical practitioners for the privilege to practice their profession in the hospital amounting to ₱13,680,000, which was recognized as additional share premium.

As at December 31, the Company has the following number of shareholders owning 100 shares or more: 2025-58 shareholders, 2024-56 shareholders, and 2023-56 shareholders.

As of December 31, 2025, the Company had Fifty-Eight (58) shareholders owning One Hundred (100) shares or more of the Company's capital stock.

As of December 31, 2024, and 2023, the Company had Fifty-Six (56) shareholders owning One Hundred (100) shares or more of the Company's capital stock.

NOTE 19 - REVENUE, net

Details of the Company's revenues are as follows:

	2025	2024	2023
Hospital revenue	**₱ 555,790,697**	₱ 553,490,925	₱ 566,481,013
Sale of drugs and medicines	**137,075,525**	136,814,276	103,552,580
	692,866,222	690,305,201	670,033,593
Less: Discount	**(83,195,997)**	(77,246,279)	(64,536,300)
	₱ 609,670,225	₱ 613,058,92	₱ 605,497,293

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

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

NOTE 20 - COST OF SALES AND SERVICES

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

	2025	2024	2023
Cost of Sales (Pharmacy)			
Inventory, beginning of the year	₱ **7,814,825**	₱ 6,641,655	5,693,093
Add: Purchases	**67,620,800**	71,835,255	48,962,300
Less: Inventory, end of the year	**(13,818,633)**	(7,814,825)	(6,641,655)
	61,616,992	70,662,085	48,013,738
Cost of Services			
Ancillary	**83,743,853**	101,179,846	93,948,905
Salaries and wages	**83,193,777**	69,364,783	59,098,998
Professional fees	**55,018,307**	44,900,067	125,941,525
Management and consultancy fees	**53,951,445**	52,397,000	36,019,800
Depreciation (Note 11 and 23)	**53,586,397**	58,354,137	65,498,889
Communication, light and water	**15,815,656**	15,272,435	13,647,415
SSS, PHIC, HDMF contribution	**6,747,046**	5,563,963	4,572,349
	352,056,481	347,032,231	398,727,881
Cost of Sales and Services	₱ **413,673,473**	₱ 417,694,316	₱ 446,741,619

NOTE 21 - OPERATING EXPENSES

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

	2025	2024	2023
Salaries and wages	₱ **31,879,526**	₱ 27,553,659	₱ 22,520,876
Repairs and maintenance	**29,434,736**	25,678,151	9,875,188
Depreciation (Note 11 and 23)	**16,183,536**	14,085,535	12871805
Representation	**9,936,873**	5,984,753	4,541,656
Bad debts written off	**9,499,261**	24,264,030	14,566,751
Supplies	**9,421,692**	9,521,413	7,870,849
Amortization (Note 12)	**9,200,830**	9,368,160	87,179
Communication, light and water	**6,778,138**	6,883,183	5,848,892
Housekeeping & janitorial services	**6,569,420**	3,580,206	4,979,280
Expected credit losses	**5,782,556**	4,421,352	8,976,338
Advertising & promotions	**4,170,629**	3,185,966	2,795,957
Security services	**3,644,264**	3,327,147	2,632,668
SSS, PHIC, HDMF contribution	**3,426,469**	2,485,931	1,880,045
Fines and penalties	**2,502,355**	18,987	1,228,377
Transportation and travel	**2,480,546**	5,319,698	4,074,563
Taxes and Licenses (Note 31)	**1,627,049**	1,773,558	3,080,220
Professional fee	**1,378,253**	995,435	838,832
Trainings and seminars	**1,128,408**	928,832	-
Insurance	**952,941**	1,189,776	1,165,381
Rent expense	**788,604**	1,181,164	646786
Miscellaneous	**3,718,037**	1,916,125	2,278,149
	₱ **160,504,123**	₱ 153,663,061	₱ 112,759,792

The Company's rent expense pertains to rental of printer and UPS. The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

NOTE 22 - OTHER INCOME

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

		2025		2024		2023
Interest income (Note 6)	**₱**	**116,285**	₱	48,686	₱	23,058
Miscellaneous income		**4,019,702**		5,518,416		-
	₱	**4,135,987**	₱	5,567,102	₱	23,058

NOTE 23 - DEPRECIATION AND EMPLOYEE'S COMPENSATION AND BENEFITS

Depreciation and employee's compensation and benefits are as follows:

2025

		Costs of Sales and Services		Operating expense		Total
Depreciation	₱	53,586,397	₱	16,183,536	₱	69,769,933
Amortization		-		9,200,830		9,200,830
Employee's compensation and benefits		89, 940, 823		38,330,564		128,271,387
	₱	143,527,220	₱	63,714,930	₱	207,242,150

2024

		Costs of Sales and Services		Operating expense		Total
Depreciation	₱	58,354,137	₱	14,085,535	₱	72,439,672
Amortization		-		9,368,160		9,368,160
Employee's compensation and benefits		74,928,746		30,039,590		104,968,336
	₱	133,282,883	₱	53,493,285	₱	186,776,168

2023

		Costs of Sales and Services		Operating expense		Total
Depreciation	₱	65,498,889	₱	12,871,805	₱	78,370,694
Amortization		-		87,179		87,179
Employee's compensation and benefits		63,671,347		24,400,921		88,072,268
	₱	129,170,236	₱	37,359,905	₱	166,530,141

NOTE 24 - RELATED PARTY TRANSACTIONS

In the normal course of business, the Company enters into transactions with related parties. Related parties include the Company's shareholders, directors, key management personnel, and entities under common control. These transactions consist primarily of advances from shareholders, reimbursements of expenses, and other transactions necessary for the Company's operations and development activities.

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Additional advances	₱19,613,000	₱ 47,558,354	Non-interest bearing; payable in cash; with right to defer settlement	Unsecured

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Additional advances	₱25,560,700	₱ 27,945,354	Non-interest bearing; payable in cash; with right to defer settlement	Unsecured

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Payment of advances	₱(4,245,000)	₱ 2,384,654	Non-interest bearing; payable in cash; with right to defer settlement	Unsecured
	Payment of advances	₱(6,000,000)	₱ -	Interest bearing; payable in cash; with right to defer settlement	Unsecured
	Interest expense	₱ 896,230	₱ -	Payable in cash and on demand	Unsecured

Interest Bearing Advances

On June 3, 2019, the Company obtained unsecured interest-bearing advances from its shareholders at an annual interest rate of twelve percent (12%) to support its working capital requirements during the initial phase of operations.

The Company retained the option to defer settlement of these advances in order to prioritize funding requirements related to hospital construction. The advances, which amounted to approximately ₱6,000,000, were fully settled in 2023.

Interest expense incurred on these advances in 2023 amounted to ₱896,230 is presented as part of finance costs in the statements of comprehensive income.

Non-interest Bearing Advances

The Company obtains cash advances from its shareholders to finance the Company's construction of hospital building and for working capital requirement. These are non-interest bearing, payable in cash and to be paid subject to availability of funds and/or the Board of Directors may decide to convert said advances to equity in the distant future. The Company, however, also reserves the right to defer settlement of the advances and prioritize payment to suppliers. The outstanding balance of these advances was presented under Advances from shareholders account in the statements of financial position.

Key Management Personnel Compensations

Key management compensation amounted to ₱36,000,000 in 2025,2024 and 2023. These amounts are incorporated in management and consultancy fees under cost of sales and services account in the financial statements.

NOTE 25 - INCOME TAXES

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

	2025	2024	2023
Current tax expense	**₱ (10,959,563)**	₱ (7,979,881)	₱ -
Deferred tax income arising from:			
Temporary differences	**1,468,075**	3,662,544	(576,076)
Income Tax benefit	**₱ (9,491,488)**	₱ (4,317,337)	₱ (576,076)

Reconciliation between statutory tax and effective tax follows:

	2025	2024	2023
Income tax at statutory rate	**₱ 7,925,843**	₱ 8,042,041	₱ 5,610,087
Tax effect income subject to final tax	**(29,072)**	(12,173)	(5,765)
Tax effect of non-deductible interest expense	**9,085**	3,804	225,499
Tax effect of non-deductible representation expense	**960,043**	-	-
Tax effect of non-deductible fines and penalties	**625,589**	4,747	307,094
Tax effect of application of NOLCO	-	(1,477,007)	(8,381,000)
Adjustment of taxes of prior years	-	(2,244,075)	-
Tax effect of unrecognized DTA on credit losses	-	-	2,244,085
Expired MCIT	-	-	(576,076)
Effective income tax	**₱ 9,491,488**	₱ 4,317,337	₱ 576,076

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

	2025	2024	2023
Regular Corporate Income Tax			
Income before tax	**₱ 31,703,373**	₱ 32,168,163	₱ 22,440,347
Permanent Differences:			
Interest income subjected to final tax	**(116,285)**	(48,686)	(23,058)
Non-deductible interest expense	**36,339**	15,214	901,994
Non-deductible representation expense	**3,840,171**	-	-
Non-deductible fines and penalties	**2,502,355**	18,987	1,228,377
Temporary Differences:			
Credit losses	**5,782,556**	4,421,352	8,976,338
Write-off of receivables	**(4,404,973)**	-	-
Retirement expense	**4,494,714**	1,252,523	-
Application of NOLCO	**-**	(5,908,028)	(33,523,998)
Taxable income	**43,838,250**	31,919,525	-
Tax rate	**25%**	25%	25%
	₱ 10,959,563	₱ 7,979,881	₱ -

Minimum Corporate Income Tax:

	2025	2024	2023
Taxable gross income	**₱ 200,016,454**	₱ 200,883,022	₱ 158,755,674
Tax Rate	**2%**	2%	1.5%
	₱ 4,000,329	₱ 4,017,660	₱ 2,381,335

	2025	2024	2023
Tax due (RCIT or MCIT whichever is higher)	**₱ 10,959,563**	₱ 7,979,881	₱ 2,381,335
Prior Year's Excess Credit	**(3,146,458)**	(1,591,987)	(1,531,976)
Applied MCIT	**-**	(4,838,818)	-
Creditable withholding taxes	**(9,483,503)**	(4,695,534)	(2,441,346)
Prepaid income tax (Note 9)	**₱ (1,670,398)**	₱ (3,146,458)	₱ (1,591,987)

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

	Statements of Financial Position			Statements of Comprehensive Income – Profit or Loss		
	2025	2024	2023	2025	2024	2023
Allowance for credit losses	₱ 3,693,819	₱ 3,349,423	₱ -	₱ 344,396	₱ 3,349,423	₱ -
Retirement benefit	1,436,800	313,121	-	1,123,679	313,121	-
MCIT	-	-	4,838,818	-	(4,838,818)	576,076
Deferred tax asset	₱ 5,130,619	₱ 3,662,544	₱ 4,838,818			
Deferred tax income (expense)				₱ 1,468,075	₱ (1,176,274)	₱ 576,076

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

The Summary of NOLCO follows:

Details of NOLCO follows that can be carried over as deduction from gross income for the next five (5) consecutive taxable years in reference to RR 25-2020 follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2020	₱ 33,523,998	₱ 33,523,998	-	₱ -	December 31, 2025

Details of NOLCO follows that can be carried over as deduction from gross income for the next three (3) consecutive taxable years follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2024	₱5,908,028	₱5,908,028	₱ -	₱ -	December 31, 2027

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

Any excess of the MCIT over the regular corporate income tax may be carried forward and credited against the regular corporate income tax for the succeeding three (3) taxable years.

The Minimum Corporate Income Tax (MCIT) was reduced to one percent (1%) on July 1, 2020 until June 30, 2023 pursuant to Revenue Regulation 5-2021. On July 1, 2023, the Minimum Corporate Income Tax (MCIT) was revert back to two percent (2%).

Details of MCIT follow:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance
2023	2026	₱ 2,381,335	₱ 2,381,335	₱ -	₱ -
2022	2025	1,309,535	1,309,535	-	-
2021	2024	1,147,948	1,147,948	-	-
2020	2023	576,076	-	576,076	-
		₱ 5,414,894	₱ 4,838,818	₱ 576,076	₱ -

NOTE 26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from its operating activities. The most important components of this financial risk are credit risk, liquidity risk and market risks. The Company's risk management is coordinated with the Board of Directors and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

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

Liquidity Risk

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

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

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

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

	December 31, 2025			
	Within 3 months	**1 Year**	**Above 1 Year**	**Total**
Trade and other payables	**₱ 128,932,506**	**₱ 75,632,926**	**₱ -**	**₱ 204,565,432**
Loans payable	**59,347,266**	**-**	**-**	**59,347,266**
Advances from shareholders	**-**	**-**	**47,558,354**	**47,558,354**
	₱ 188,279,772	**₱ 75,632,926**	**₱ 47,558,354**	**₱ 311,471,052**

	December 31, 2024			
	Within 3 months	1 Year	Above 1 Year	Total
Trade and other payables	₱ 22,488,166	₱ 65,297,025	₱ -	₱ 87,785,191
Loans payable	85,604,341	75,203,780	24,347,266	185,155,387
Advances from shareholders	-	-	27,945,354	27,945,354
	₱ 108,092,507	₱ 140,500,805	₱ 52,292,620	₱ 300,885,932

	December 31, 2023			
	Within 3 months	1 Year	Above 1 Year	Total
Trade and other payables	₱ 22,957,802	₱ 62,813,849	₱ -	₱ 85,771,651
Loans payable	27,266,722	79,559,288	125,405,387	232,231,397
Advances from shareholders	-	-	2,384,654	2,384,654
	₱ 50,224,524	₱ 142,373,137	₱ 127,790,041	₱ 320,387,702

Market Risks

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 interest-bearing advances from shareholders (Notes 6, 16 and 24).

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 interest-bearing advances from shareholders 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.

Credit Risk

Credit risk represents the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from its trade and other receivables.

The Company manages its credit risk through established credit policies and monitoring procedures. For patient receivables, the Company generally requires settlement upon discharge or completion of services, except for patients covered by healthcare institutions and government programs such as HMOs, PhilHealth, PCSO, PSWD, and DSWD.

Receivables from healthcare institutions and government agencies are monitored regularly to ensure timely submission and reconciliation of claims. The Company maintains regular coordination with these institutions to facilitate reimbursement and minimize delays in collection.

Advances to employees are granted in accordance with Company policies and are recovered through salary deductions, thereby reducing the Company's exposure to credit risk.

The Company regularly reviews the aging of receivables and evaluates the collectability of outstanding balances in order to determine the appropriate level of allowance for expected credit losses.

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

Credit Quality per Class of Financial Asset

	December 31, 2025					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 148,571,865	₱ –	₱ –	₱ –	₱ –	₱ 148,571,865
Trade and other receivables	40,560,124	–	–	43,626,314	–	84,186,438
Refundable deposit	16,000	–	–	–	–	16,000
	₱ 189,147,989	₱ –	₱ –	₱ 43,626,314	₱ –	₱ 232,758,303

	December 31, 2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 52,864,716	₱ –	₱ –	₱ –	₱ –	₱ 52,864,716
Trade and other receivables	21,429,744	–	–	76,850,510	–	98,280,254
Refundable deposit	16,000	–	–	–	–	16,000
	₱ 74,310,460	₱ –	₱ –	₱ 76,850,510	₱ –	₱ 151,144,970

	December 31, 2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 39,597,601	₱ –	₱ –	₱ –	₱ –	₱ 8,685,227
Trade and other receivables	20,143,741	–	–	67,741,022	–	87,884,763
Refundable deposit	16,000	–	–	–	–	16,000
	₱ 59,757,342	₱ –	₱ –	₱ 67,741,022	₱ –	₱ 127,482,364

The credit quality of the financial assets is managed by the Company using the internal credit quality ratings. High grade accounts consist of receivables from debtors with good financial condition and with relatively low defaults. All receivables were collected and liquidated in the subsequent period so no estimated credit loss was provided.

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

	2025	2024	2023
Cash	**₱ 148,571,865**	₱ 52,864,716	₱ 39,597,601
Trade and other receivables	**69,411,165**	84,882,564	78,908,425
Refundable deposit	**16,000**	16,000	16,000
	₱ 217,999,030	₱ 137,763,280	₱ 118,522,026

Cash excludes cash on hand amounting to ₱154,000, ₱5,054,231 and ₱154,000 in 2025, 2024 and 2023.

(a) Cash

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

(b) Trade and other receivables

Trade Receivables

The Company applies the PFRS 9 forward-looking approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other assets.

The Company has established a provision matrix in computing the expected rate loss which are based on its historical loss experience, adjusted for current and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations in interior fit-out industry.

On that basis, the loss allowance as at December 31, 2025, 2024 and 2023 was determined based on months past due, as follows for trade receivables:

December 31, 2025

	Current	1-30 days	31-60 days	61-90 days	91-180 days	181 - 365 days	Above 1 year	Total
Expected loss rate	0%	0%	2%	5%	10%	30%	100%	
Trade receivables	₱ 39,461,669	₱ 22,274,134	₱ 745,601	₱ 994,209	₱ 2,039,912	₱ 4,379,713	₱ 13,192,745	₱ 83,087,983
Loss allowance	₱ -	₱ -	**₱ 14,912**	**₱ 49,710**	**₱ 203,991**	**₱ 1,313,914**	**₱ 13,192,745**	**₱ 14,775,273**

December 31, 2024

	Current	1-30 days	31-60 days	61-90 days	91-180 days	181 - 365 days	Above 1 year	Total
Expected loss rate	0%	0%	2%	5%	10%	30%	100%	
Trade receivables	₱ 20,428,616	₱ 57,413,035	₱ 596,837	₱ 629,700	₱ 2,283,368	₱ 4,002,342	₱ 11,925,228	₱ 97,279,126
Loss allowance	₱ -	₱ -	₱ 11,937	₱ 31,485	₱ 228,337	₱ 1,200,703	₱ 11,925,228	₱ 13,397,690

December 31, 2023

	Current	1-30 days	31-60 days	61-90 days	91-180 days	181 - 365 days	Above 1 year	Total
Expected loss rate	0%	0%	2%	5%	10%	30%	100%	
Trade receivables	₱ 18,007,107	₱ 49,825,889	₱ 123,852	₱ 863,947	₱ 2,454,096	₱ 8,268,548	₱ 6,204,690	₱ 85,748,129
Loss allowance	₱ -	₱ -	₱ 2,477	₱ 43,197	₱ 245,410	₱ 2,480,564	₱ 6,204,690	₱ 8,976,338

A reconciliation of the closing loss allowance for trade receivables as at December 31, 2025, 2024 and 2023 are presented below:

	2025	2024	2023
Balance at January 1	**₱ 13,397,690**	₱ 8,976,338	₱ -
Credit losses	**5,782,556**	4,421,352	8,976,338
Write off	**(4,404,973)**	-	-
Balance, December 31	**₱ 14,775,273**	₱ 13,397,690	₱ 8,976,338

In 2025, 2024, 2023, the Board of Directors approved the direct write-off of receivables from patients and PhilHealth in the amount of ₱9,499,261, ₱24,264,030 and ₱14,566,751, respectively. These receivables were considered non-collectible as all efforts were exhausted to collect from individuals but to no avail while for PhilHealth, the Company already received notices from such institution that these receivables can no longer be reimbursed due to errors, non-compliance and lapse on compensable days.

Advances to officers and employees and other receivables

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

(c) Refundable deposit

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

NOTE 27 - CAPITAL MANAGEMENT OBJECTIVES AND POLICIES

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

Management sees to it that equity is closely monitored in proportion to risk. Total equity comprises all components of equity including share capital and accumulated earnings of the Company. The Company monitors capital on the basis of the debt-to-equity ratio.

This ratio is calculated as total liabilities divided by total equity.

	2025	2024	2023
Total current liabilities	**₱ 268,753,280**	₱ 246,390,899	₱ 251,779,825
Total non-current liabilities	**53,305,591**	53,197,877	141,134,654
Total liabilities (a)	**322,058,871**	299,588,776	392,914,479
Total equity (b)	**₱ 591,066,040**	₱ 563,354,155	₱ 505,192,529
Debt-to-equity ratio (a/b)	**0.544:1**	0.532:1	0.778:1

NOTE 28 - FAIR VALUE MEASUREMENT

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities recognized as at December 31, 2025, 2024 and 2023.

			31-Dec-25		
			Fair Value		
	Notes	**Carrying Amount**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets for which fair values are disclosed:					
Cash	**6**	**₱ 148,725,865**	**₱ -**	**₱ 148,725,865**	**₱ -**
Trade and other receivables	**7**	**69,411,165**	**-**	**69,411,165**	**-**
Refundable deposit	**13**	**16,000**	**-**	**16,000**	**-**
		₱ 218,153,030	**₱ -**	**₱ 218,153,030**	**₱ -**
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	**14**	**₱ 204,565,432**	**₱ -**	**₱ 204,565,432**	**₱ -**
Advances from shareholders	**24**	**47,558,354**	**-**	**47,558,354**	**-**
Loans payable	**16**	**59,000,000**	**–**	**59,000,000**	**–**
		₱ 311,123,786	**₱ -**	**₱ 311,123,786**	**₱ -**

			31-Dec-24		
				Fair Value	
	Notes	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Cash	6	₱ 57,918,947	₱ -	₱ 57,918,947	₱ -
Trade and other receivables	7	84,882,564	-	84,882,564	-
Refundable deposit	13	16,000	-	16,000	-
		₱ 142,817,511	₱ -	₱ 142,817,511	₱ -
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	14	₱ 87,785,191	₱ -	₱ 87,785,191	₱ -
Advances from shareholders	24	27,945,354	-	27,945,354	-
Loans payable	16	179,750,000	-	179,750,000	-
		₱ 295,480,545	₱ -	₱ 295,480,545	₱ -

			31-Dec-23		
				Fair Value	
	Notes	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Cash	6	₱ 39,751,601	₱ -	₱ 39,751,601	₱ -
Receivables	7	78,908,425	-	78,908,425	-
Refundable deposit	13	16,000	-	16,000	-
		₱ 118,676,026	₱ -	₱ 118,676,026	₱ -
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	14	₱ 85,771,651	₱ -	₱ 85,771,651	₱ -
Advances from shareholders	24	2,384,654	-	2,384,654	-
Loans payable	16	301,750,000	-	301,750,000	-
		₱ 389,906,305	₱ -	₱ 389,906,305	₱ -

The carrying amounts of cash, receivables, payables and advances from related parties approximate their fair values due to the short-term nature of these transactions.

NOTE 29 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

2025

	Loans Payable (Note 16)	Advances from shareholders (Note 24)	Total
Balance as of January 1, 2025	**₱ 179,750,000**	**₱ 27,945,354**	**₱ 207,695,354**
Cash flow from Financing Activities:			
Additional Borrowing	**-**	**19,613,000**	**19,613,000**
Repayment of Borrowing	**(120,750,000)**	**-**	**(120,750,000)**
Balance, December 31, 2025	**₱ 59,000,000**	**₱ 47,558,354**	**₱ 106,558,354**

2024

	Loans Payable (Note 16)	Advances from shareholders (Note 24)	Total
Balance as of January 1, 2024	₱ 301,750,000	₱ 2,384,654	₱ 304,134,654
Cash flow from Financing Activities:			
Additional Borrowing	-	25,560,700	25,560,700
Repayment of Borrowing	(122,000,000)	-	(122,000,000)
Balance, December 31, 2024	₱ 179,750,000	₱ 27,945,354	₱ 207,695,354

2023

	Loans Payable (Note 16)	Advances from shareholders (Note 24)	Total
Balance as of January 1, 2023	₱ 416,500,000	₱ 6,629,654	₱ 423,129,654
Cash flow from Financing Activities:			
Additional Borrowing	-	-	-
Repayment of Borrowing	(114,750,000)	(4,245,000)	(118,995,000)
Balance, December 31, 2023	₱ 301,750,000	₱ 2,384,654	₱ 304,134,654

NOTE 30 - RECLASSIFICATION

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation.

As a result, certain line items have been amended in the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flow, and the related notes to the financial statements.

Management believes that these reclassifications would reflect the true nature of the transactions and did not have any impact on prior year's financial statements.

The items reclassified were as follows:

- Project cost amounting to ₱33,734,950 were reclassified from other non-current assets to intangible assets.
- Other current liabilities amounting to ₱2,855,708 and ₱3,008,174 presented under trade and other payables in 2024 and 2023, respectively were presented separately as other current liabilities.
- The increase in retirement benefit obligation amounting to ₱1,252,523 in 2023 have been included as an adjustment to reconcile income before income tax given that its non-cash accounting transaction.
- The provision for ECL amounting to ₱4,421,352 and ₱8,976,338 in 2024and 2023, respectively have been included as an adjustment to reconcile income before income tax non-cash accounting transaction.
- In 2025, the Company revised the presentation of its revenue accounts to provide more relevant and meaningful information to users by aligning revenue streams based on the nature of operations and how management monitors performance. Revenue is now presented as hospital revenue and sales of drugs and medicines, with total revenue shown before deducting discounts (including privilege discounts and senior citizen/PWD discounts) to arrive at net revenue. Accordingly, the 2024 and 2023 comparative figures were reclassified to reflect the aggregation of hospital-related service income into hospital revenue, pharmacy

sales into sales of drugs and medicines, and the separate presentation of discounts. The reclassification has no effect on the previously reported net income, total equity, and cash flows of the Company.

- The personnel costs under cost of services amounting to ₱74,928,746 and ₱63,671,347 in 2024 and 2023, respectively were broken down to Salaries and wages ₱69,364,783 and SSS, PHIC, HDMF contribution ₱5,563,963 in 2024 and Salaries and wages ₱59,098,998 and SSS, PHIC, HDMF contribution ₱4,572,349 in 2023 to show the true nature of the expense account.

- The personnel costs under operating expenses amounting to ₱30,968,422 and ₱24,400,921 in 2024 and 2023, respectively were broken down to Salaries and wages ₱27,553,659, SSS, PHIC, HDMF contribution ₱2,485,931 and Trainings and seminars ₱928,832 in 2024 and Salaries and wages ₱22,520,876 and SSS, PHIC, HDMF contribution ₱1,880,045 in 2023 to show the true nature of the expense account.

Below is the summary of the changes arising from this restatement:

	2024 (Previously reported)	2024 (After restatement)	Increase (Decrease)
Statements of Financial Position			
Intangible asset, net	₱ 3,020,100	₱ 36,755,050	₱ 33,734,950
Other non-current assets	33,750,950	16,000	(33,734,950)
Total non-current assets	684,559,217	684,559,217	-
Trade and other payables	90,640,899	87,785,191	(2,855,708)
Other current liabilities	-	2,855,708	2,855,708
Total current liabilities	246,390,899	246,390,899	-
Statements of Cash Flows			
Cash Flows From Operating Activities			
Adjustment to reconcile net income to net cash provided by operating activities:			
Retirement benefit obligation	₱ -	₱ 1,252,523	₱ 1,252,523
Amortization	934,423	9,368,160	8,433,737
Expected credit losses	-	4,421,352	4,421,352
Operating income before changes in working capital	120,594,057	134,701,669	14,107,612
Provision for ECL	4,421,352	-	(4,421,352)
Changes in operating assets and liabilities:			
Increase (decrease) in:			
Trade and other payables	1,861,074	2,013,540	152,466
Retirement benefit obligation	1,252,523	-	
Other current liabilities	-	(152,466)	(152,466)
Cash generated from operation	162,244,998	170,678,735	8,433,737
Cash Flows From Investing Activities			
Additions to non-current assets	(33,734,950)	-	33,734,950
Additions to intangible assets, net	(3,712,987)	(45,881,674)	(42,168,687)
Net cash used in investing activities	(54,868,787)	(63,302,524)	(8,433,737)
NET (DECREASE) INCREASE IN CASH	18,167,346	18,167,346	-

	2024 (Previously reported)	2024 (After restatement)	Increase (Decrease)
Notes to Financial Statements			
Note 12 - Intangible asset, net	₱ 3,020,100	₱ 36,755,050	₱ 33,734,950
Note 13 - Other non-current assets	33,750,950	16,000	(33,734,950)
Note 14 - Trade and other payables	90,640,899	87,785,191	(2,855,708)
Note 15 - Other current liabilities	-	2,855,708	2,855,708
Note 19 - Revenue, net			
Hospital Services			
Ancillary Services	485,647,227	-	(485,647,227)
Room Accommodation	67,843,698	-	(67,843,698)
	553,490,925	-	(553,490,925)
Sale of Goods			
Pharmacy			
In-patient	108,024,952	-	(108,024,952)
Outpatient	28,789,324	-	(28,789,324)
	136,814,276	-	(136,814,276)
Less: Privelege discount	10,891,566		(10,891,566)
Senior citizen and PWD discounts	66,354,713		(66,354,713)
	77,246,279	-	(77,246,279)
NET REVENUE	613,058,922	-	(613,058,922)
Hospital Revenue	-	553,490,925	553,490,925
Sales of drugs and medicines	-	136,814,276	136,814,276
	-	690,305,201	690,305,201
Less: Discount	-	(77,246,279)	(77,246,279)
NET REVENUE		613,058,922	613,058,922
Note 20 - Cost of Sales and Services			
Cost of Services			
Personnel costs	74,928,746	-	(74,928,746)
Salaries and wages	-	69,364,783	69,364,783
SSS, PHIC, HDMF contribution	-	5,563,963	5,563,963
Total cost of services	74,928,746	74,928,746	-
Note 21 - Operating Expenses			
Personnel costs	30,968,422	-	(30,968,422)
Salaries and wages	-	27,553,659	27,553,659
SSS, PHIC, HDMF contribution	-	2,485,931	2,485,931
Trainings and seminars	-	928,832	928,832
Total operating expenses	153,663,061	153,663,061	-

		2023 (Previously reported)		2023 (After restatement)		Increase (Decrease)
Statements of Financial Position						
Trade and other payables	₱	88,779,825	₱	85,771,651	₱	(3,008,174)
Other current liabilities		-		3,008,174		3,008,174
Total current liabilities		251,779,825		251,779,825		-
Statements of Cash Flows						
Cash Flows From Operating Activities						
Adjustment to reconcile net income to net cash provided by operating activities:						
Expected credit losses	₱	-	₱	8,976,338	₱	8,976,338
Operating income before changes in working capital		124,453,756		133,430,094		8,976,338
Provision for ECL		8,976,338		-		(8,976,338)
Changes in operating assets and liabilities:						
Increase (decrease) in:						
Trade and other payables		(1,563,093)		(2,016,875)		(453,782)
Other current liabilities		-		453,782		453,782
Cash generated from operation		125,064,146		125,064,146		-
NET (DECREASE) INCREASE IN CASH		(32,724,071)		(32,724,071)		-

	2023 (Previously reported)	2023 (After restatement)	Increase (Decrease)
Notes to Financial Statements			
Note 14 - Trade and other payables	₱ 88,779,825	₱ 85,771,651	₱ (3,008,174)
Note 15 - Other current liabilities	-	3,008,174	3,008,174
Note 19 - Revenue, net			
Hospital Services			
Ancillary Services	506,731,313	-	(506,731,313)
Room Accommodation	59,749,700	-	(59,749,700)
	566,481,013	-	(566,481,013)
Sale of Goods			
Pharmacy			
In-patient	83,473,805	-	(83,473,805)
Outpatient	20,078,775	-	(20,078,775)
	103,552,580	-	(103,552,580)
Less: Privelege discount	10,197,303		(10,197,303)
Senior citizen and PWD discounts	54,338,997		(54,338,997)
	64,536,300	-	(64,536,300)
NET REVENUE	605,497,293	-	(605,497,293)
Hospital Revenue	-	566,481,013	566,481,013
Sales of drugs and medicines	-	103,552,580	103,552,580
	-	670,033,593	670,033,593
Less: Discount	-	(64,536,300)	(64,536,300)
NET REVENUE		605,497,293	605,497,293
Note 20 - Cost of Sales and Services			
Cost of Services			
Personnel costs	63,671,347	-	(63,671,347)
Salaries and wages	-	59,098,998	59,098,998
SSS, PHIC, HDMF contribution	-	4,572,349	4,572,349
Total cost of services	398,727,881	398,727,881	-
Note 21 - Operating Expenses			
Personnel costs	24,400,921	-	(24,400,921)
Salaries and wages	-	22,520,876	22,520,876
SSS, PHIC, HDMF contribution	-	1,880,045	1,880,045
Total operating expenses	112,759,792	112,759,792	-

NOTE 31 - BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed as follows:

		2025		2024		2023
Income (loss) attributable to ordinary shares	₱	**22,211,885**	₱	27,850,826	₱	21,864,671
Divided by: Weighted average number of ordinary shares outstanding		**168,820**		168,600		167,710
Basic earnings (loss) per share	₱	**131.57**	₱	165.19	₱	130.37

NOTE 32 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements.

This supplementary information is presented for purposes of compliance with BIR requirements and is not a required disclosure under the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The details of taxes, duties, and license fees paid or accrued during the taxable year, as required under the aforementioned Revenue Regulations, are presented below and in the succeeding pages.

(a) Output VAT

		Tax Base		Amount
Vatable sales	₱	9,876,507	₱	1,185,181
Exempt sales		9,427,589		-
	₱	19,304,097	₱	1,185,181

The Company's exempt sales were determined pursuant to Section 109 of the 1997 National Internal Revenue Code.

(b) Input VAT

		Amount
Balance at beginning of year	₱	77,616,105
Goods other than capitals goods		17,318,622
Services lodged under other accounts		1,515,237
Input tax allocable to exempt sales		-
Applied against output VAT		(1,185,181)
	₱	95,264,783

(c) Taxes and Licenses for 2025

The details of Taxes and Licenses account (Note 21) are broken down as follows:

		Amount
Licenses and permits	₱	661,180
Real property tax		930,870
Others		34,999
	₱	1,627,049

The amounts of taxes and licenses shown above are included under the operating expenses in the statements of comprehensive income.

(d) Withholding Taxes for 2025

Withholding taxes paid and accrued during the year is as follows:

		Amount
Expanded	₱	31,806,120
Compensation		82,790
	₱	31,888,910

(e) Tax Assessments and Cases

The Company received Letter of Authority No. eLA201700074084 dated June 9, 2025 from the Bureau of Internal Revenue for the examination of its books of accounts and accounting records for the period covered January 1, 2023, to December 31, 2023, for all internal revenue tax. The examination was completed in September 9, 2025 with the payment of tax deficiency, interest and compromise penalty amounting to ₱1,924,590. (Note 21)

As of reporting date, the Company has no pending tax cases under preliminary investigation, litigation and/or prosecution in court or bodies within or outside BIR.

(f) Related Party Transaction

The Company is not covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025, 2024 and 2023

Current Ratio

	2025	2024	2023
Total current assets	₱ **258,713,776**	₱ 178,383,714	₱ 193,914,894
Total current liabilities	**268,753,280**	246,390,899	251,779,825
Current ratio	**0.963:1**	0.724:1	0.77:1

Quick Ratio

	2025	2024	2023
Total liquid asset	₱ **255,042,626**	₱ 173,334,156	₱ 146,664,242
Total current liabilities	**268,753,280**	246,390,899	251,779,825
Quick ratio	**0.949:1**	0.703:1	0.583:1

Working Capital to Total Asset

	2025	2024	2023
Working capital	₱ **(10,039,504)**	₱ (68,007,185)	₱ (57,864,931)
Total liabilities	**322,058,871**	299,588,776	392,914,479
Working capital ratio	**-0.031:1**	-0.227:1	-0.147:1

Solvency Ratio

	2025	2024	2023
Net income (loss) after tax + Depreciation & Amortrization	₱ **101,182,648**	₱ 27,850,826	₱ 21,864,271
Total liabilities	**322,058,871**	299,588,776	392,914,479
Solvency ratio	**0.314:1**	0.093:1	0.056:1

Debt-to-equity Ratio

	2025	2024	2023
Total liabilities	₱ **322,058,871**	₱ 299,588,776	₱ 392,914,479
Total equity	**591,066,040**	563,354,155	505,192,529
Debt-to-equity ratio	**0.545:1**	0.532:1	0.778:1

Asset-to-equity Ratio

	2025	2024	2023
Total assets	₱ **913,124,908**	₱ 862,942,931	₱ 898,107,008
Total equity	**591,066,040**	563,354,155	505,192,529
Asset to equity ratio	**1.545:1**	1.532:1	1.778:1

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025, 2024 and 2023

Interest Rate Coverage Ratio

	2025	2024	2023
Pre-tax profit (loss) before interest	₱ **39,628,616**	₱ 47,268,647	₱ 46,018,940
Interest	**7,925,243**	15,100,484	23,578,593
Interest rate ratio	**5:1**	3.13:1	1.952:1

Profitability Ratios

	2025	2024	2023
Net profit (loss) after tax	₱ **22,211,885**	₱ 27,850,826	₱ 21,864,271
Total equity	**591,066,040**	563,354,155	505,192,529
	0.038:1	0.049:1	0.043:1

a.) Return on asset ratio

	2025	2024	2023
Net income (loss) after tax	₱ **22,211,885**	₱ 27,850,826	₱ 21,864,271
Average assets	**888,033,921**	880,524,970	943,828,919
	0.025:1	0.032:1	0.023:1

b.) Return on equity ratio

	2025	2024	2023
Net profit (loss) after tax	₱ **22,211,885**	₱ 27,850,826	₱ 21,864,271
Average equity	**577,210,098**	534,273,342	487,635,393
	0.038:1	0.052:1	0.045:1

c.) Gross Profit Margin Ratio

	2025	2024	2023
Net profit (loss) before tax	₱ **31,703,373**	₱ 32,168,163	₱ 22,440,347
Gross profit	**195,996,752**	195,364,606	158,755,674
	0.16:1	0.16:1	0.141:1

d.) Net Profit Margin

	2025	2024	2023
Net profit (loss) after tax	₱ **22,211,885**	₱ 27,850,826	₱ 21,864,271
Revenue	**609,670,225**	613,058,922	605,497,293
	0.036:1	0.045:1	0.036:1

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2025

ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St., Daro, Dumaguete City, Negros Oriental

Unappropriated Retained Earnings, beginning of reporting period		**(₱2,906,645)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
• Reversal of Retained Earnings Appropriation/s	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
• Dividends declaration during the reporting period	-	
• Retained Earnings appropriated during the reporting period	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
Unappropriated Retained Earnings, as asjusted		**(2,906,645)**
Add/Less: Net Income (Loss) for the current year		**22,211,885**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
• Equity in net income of associate/joint venture, net of dividends declared	-	
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Unrealized fair value gain of Investment Property	-	
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting	-	
• Sub-total		-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Realized fair value gain of Investment Property	-	
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2025

ALLIED CARE EXPERT (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St., Daro, Dumaguete City, Negros Oriental

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Reversal of previously recorded fair value gain of Investment Property	-	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		-
Adjusted Net Income (Loss)		**22,211,885**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
• Depreciation on revaluation increment (after tax)	-	
• Sub-total		-
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP		
• Amortization of the effect of reporting relief	-	
• Total amount of reporting relief granted during the year	-	
• Others	-	
• Sub-total		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
• Adjustment due to deviation from PFRS/GAAP - gain (loss)		
• Others	-	
• Sub-total		-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		**₱19,305,240**

Schedule A. Financial Assets

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Income received and accrued
Cash in banks			
Banco de Oro	P 9,797,992	P 9,797,992	P 1,911
Bank of the Philippine Islands	203,745	203,745	-
China Bank	8,812,073	8,812,073	4,194
Rizal Commercial Banking Corporation	25,622,552	25,622,552	82,029
Land Bank of the Philippines	104,135,504	104,135,504	28,151
	P 148,571,866	**P 148,571,866**	**P 116,285**

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

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end Of Period
Officers and employees	P175,826	P12,338	-	-	P188,164	-	P188,164

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
NA	NA	NA	NA	NA	NA	NA	NA

Schedule D. Intangible Assets-Other Assets

Description (i)	Beginning of period balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Current	Ending balance
Hospital Information System	P 3,020,100	-	(P767,093)	-	-	P 2,253,007
Internally Developed Medical Technology	33,734,950	-	(P8,433,737)	-	-	25,301,213
	P 36,755,050	-	(9,200,830)	-	-	P 27,554,220

Schedule E. Long Term Debt

Title of Issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-term Debt" in related balance sheet (iii)
Bank Loans	P650M	P59M	P-

Schedule F. Indebtedness to Related Parties (Current)

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
Major Shareholders	P27,945,354	P47,558,354

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)
NA	NA	NA	NA	NA

Schedule H. Capital Stock

Title of issue (i)	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and Employees	Others (iii)
Founders'	600	600	-	-	220	
Common	239,400	168,220	-	-	54,930	
Preferred	-	-	-	-		
Total	240,000	168,820	-	-	57,640	