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, 2024**

2. SEC Identification Number ...
   CS 201702182

3. BIR Tax Identification No.
   009-533-707

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

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

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. Address of principal office — Postal Code
   JOMARI BLDG.,2ND FLOOR, MALVAR ST., PUERTO PRINCESA CITY, PALAWAN 5300

8. **(048) 717-000-19**
   Issuer's telephone number, including area code

9. **JOMARI BLDG.,2ND FLOOR, MALVAR ST., PUERTO PRINCESA CITY, PALAWAN**
   Former name, former address, and former fiscal year, if changed since the 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
FOUNDERS SHARE, PHP 1,000 PAR VALUE	**600 SHARES**
COMMON SHARE, PHP 1,000 PAR VALUE	**219,980 Shares**
AMOUNT OF DEBT OUTSTANDING	**Php765,705,298**

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

    Yes [ ]   No **[x]**

    If yes, state the name of the 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 a such shorter period that the registrant was required to file such reports);

    Yes **[x]**   No [ ]

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

Yes [x] No [ ]

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

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

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

Yes [x] No [ ]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN INC. (the Company) is a stock corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on January 20,2017 under Registration No. CS201702182. A Certificate of Permit to Offer Securities for Sale was issued on March 29,2021 and was published in Manila Times on April 13,2021.

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.

On 05 May 2017, the groundbreaking ceremony for the construction of this health facility was held. It is the 11th project of the ACE Group of Hospitals located nationwide, 14 in Luzon, 10 in Visayas, and 6 in Mindanao Allied Care Group is currently establishing 7 more new Medical Centers nationwide.

ACEMC Palawan Inc. is a level 2 Medical Center with a 100-bed capacity in an 8 storey building with a basement, with a total floor area of 16,538 sq. m., constructed on a 7,072 sqm, property located in the center of Puerto Princesa City, along South National Highway, Barangay San Pedro, Puerto Princesa City, Palawan.

The current pandemic resulted in delays in construction brought about by delays in the delivery of materials. Five years after its groundbreaking ceremonies, ACEMC Palawan was structurally finished. On December 9, 2021, the Department of Health officially visited the hospital for inspection. And the

License to Operate was granted on January 19, 2022. The doors were finally opened on February 15, 2022.

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

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

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	70,280,040	₱ 80,560,523		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

2022

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them tom their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱ 10,280,483		

Cash Advances

The Company obtains cash advances from its founders to finance the Company's pre-operating expenses, other start up fund requirements and on-going construction of hospital building. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from related parties account in the statements of financial position.

1. AO Biomed and Industrial Marketing- Pathology equipment
2. Corbridge Group Phil. Inc., - Dialysis Devices

3. ESPHAR Medical Center Inc.- Autoclave Sterilizer
4. Grieka Enterprise – Office Supplies
5. Healthrush Enterprises- Bubble CPAP
6. I.O.S. Marketing Inc.- Medical Equipment
7. IDS Medical System Philippines, Inc. – 2D ECHO machine and accessories
8. Medixserve Philippines, Inc. – Radiology equipment
9. MRL Cybertic Corporation – Pathology equipment
10. NPK Medical Trading, Inc. – Doppler Machine
11. Open Port Medical and Trading Corp.
12. Respicare Enterprises Inc. – for mechanical ventilators and spirometers
13. RG Meditron Inc. – Defibrillator
14. Technomed International, Inc.- Hospital supplies
15. UPK Medical Supplies – Operating room supplies
16. ZMD9 Healthcare Marketing- Hospital supplies
17. FANA FONDA Linen Trading- hospital drapes
18. Clair Purified Water Station – Purified water
19. SV Dental Supplies Trading – Dental supplies

Required permits were secured by the Company from the Department of Health (DOH) for the hospital operations and from the local government unit of Palawan for the business permit as of December 2024.

1. Mayor's Permit- BP-2025-05574-0
2. Department of Labor- Certificate of Registration
3. Certificate of Occupancy – OC 202109-00021

The Company has secured the required permits and clearances from the Department of Environment and Natural Resources (DENR) to be able to construct its hospital facility. Implementation of the environmental laws cost the Company around PHP 5,000.00 (DENR Permit no. ECC-0L-R4B-2018-0002)

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

	CBA	Non-CBA	Total
Rank and File	0	256	256
Supervisors		20	20
Managers and Top Management	0	22	22
Total	**0**	**298**	**298**

It is expected that the hiring of personnel will increase for the ensuing year in the course of the operations of the hospital.

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:

Major Risks	Measures Undertaken

Financial and Economic Risks	• Credit Risks are inherent in the nature of the hospital business. An economic downturn coupled with new laws that would affect the hospital's ability to collect payments from the patients will increase this risk and impact ACE Medical Center- Palawan Doctor's liquidity. • Foreign Exchange is another factor that significantly impacts the operation. The possibility that the peso will weaken will affect the company's ability to purchase imported medical supplies and equipment. • Substitute Products and services in the form of specialty clinics are gaining ground and competing with big hospitals in specific fields.
Operating History	The issuer mitigates such risk through the availability of the credit line facility with the Development Bank of the Philippines amounting to Seven Hundred Million Pesos, (Php 700,000,000.00). Furthermore, holders of Founders' shares are readily available to support and provide additional funding for the Hospital's operations.
Key Personnel Attrition	Maintaining a competitive compensation package and 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.
Disaster Risk/ Pandemics	The Company has policies in place to guide its employees in the event of a disaster/ pandemic. It has a Disaster Risk Management and Safety Committee, which meets regularly and oversees staff training Fire and Earthquake drills are conducted annually with the guidance of the Bureau of Fire and Protection (BFP). In addition to the policies and training, the hospital is equipped with two (2) generators a computer system with a cloud backup, and a firewall. To prevent loss of data, hacking, and adequate UPS to prevent auto shutdown and malfunction of equipment.
Government Regulation	The Issuer must comply with local and national rules and regulations, If the Issuer fails to comply with a rule or regulation, it may be subject to fines or other penalties, or its permit or license may be revoked or suspended. The issuer may have to stop operation and you may lose your entire investment.
Healthcare Infections	The Company has put in place an Infection Control Service, guided by the Infection Control Committee, that implements and continually updates infection control policies. The Company has also provided its employees and Doctors with the necessary personal protective equipment to protect them from acquiring healthcare-related infections.

Taxation	Existing tax rates may increase in the future or existing tax exemptions and deductions may likewise be revoked, adversely affecting the Company's revenues, similarity, such tax rates may decrease, or new exemptions and deductions may be created to the Company's benefit.

Item 2. Properties

The following are the properties owned by the Company:

A. Principal Properties Owned

The following properties were acquired in the name of the Corporation:

a.) LAND

LOCATION	LAND AREA	CURRENT AND INTENDED USE	COST
South National Highway, Barangay. San Pedro, Puerto Princesa City, Palawan 6 Transfer Certificate of: Title Nos.: 074-2019000871 074-2019000872 074-2019000873 074-2019000874 074-2019000875 074-2019000876	7,051 sq. m.	Operations	PHP 48,425,735.85

b.) Transportation Equipment

MODEL NO.	CURRENT AND INTENDED USE	ACQUISITION COST
Hi- ACE Commuter De Luxe 2.8DSL	Operations	PHP 2,002,470.00

c.) Office Furniture and Equipment

DESCRIPTION	CURRENT AND INTENDED USE	ACQUISITION COST
Office Furniture, Fixtures, and Equipment	Operations	Php 25,057,936.78

d.) Medical Equipment

DESCRIPTION	CURRENT AND INTENDED USE	ACQUISITION COST
Various Medical Equipment	Operations	PHP 125,702,294.63

Item 3. Legal Proceedings

The company is not a party to any legal proceedings.

PART II – SECURITIES OF THE REGISTRANT

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

(1) Market Information

The Company's common equity is sold through its own internal 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	***2023***	***2024***	***2023***	***2024***	***2023***	***2024***	***24023***	***2024***	**2025**
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 December 31, 2024 is PHP 250,000.00.

(2) Holders

There are approximately 737 holders of common shares and 52 holders of founder shares of the Company as of 31 December 2024.

Top 20 Stockholders
As of 31 December 2024

STOCKHOLDER'S NAME	NATIONALITY	OUTSTANDING SHARES	PERCENTAGE
DR. AMADO C. ENRIQUEZ	FIL	3,400.00	1.24%
DR. EDITHA C. MIGUEL	FIL	3,400.00	1.24%
DR. SONIA J. ULANDAY	FIL	3,400.00	1.24%
DR. LORNA FELIZARTE	FIL	3,400.00	1.24%

DR. LUMEN R. PALANCA	FIL	3,400.00	1.24%
DR. IVAN MICHAEL G. VICENTE	FIL	3,400.00	1.24%
DR. KAREN A. ACOSTA	FIL	3,400.00	1.24%
DR. FREDERICK DALINGDING	FIL	3,400.00	1.24%
DR. ROSALIE M REYES	FIL	3,400.00	1.24%
DR. FERNANDO CARLOS	FIL	3,400.00	1.24%
DR. LA RHAINE G. VIERNES	FIL	3,400.00	1.24%
DR. MINA SIRKIT TAGRA	FIL	3,400.00	1.24%
DR. GEANIE A. CERNA-LOPEZ	FIL	6,800.00	2.83%
DR. MICHAEL EDWARD R. ENRIQUEZ	FIL	13,600.00	5.67%
DR. MARIETTA T. SAMOY	FIL	6,800.00	2.83%
DR. MIGUEL ANTONIO R. ENRIQUEZ	FIL	13,600.00	5.67%
DR. MARILYN R. ENRIQUEZ	FIL	3,400.00	1.24%
DR. JULIETA B. CARLOS	FIL	3,400.00	1.24%
DR. JOSEPH M. TOVERA	FIL	3,400.00	1.24%
DR. SHEREIL D. PABLICO	FIL	3,400.00	1.24%
DR. ARNEL M. BONDOC	FIL	3,400.00	1.24%
DR. JONATHAN H. REBLANDO	FIL	3,400.00	1.24%
DR. APRIL RHEIBOY C. ANDAL	FIL	3,400.00	1.24%
DR. JANICE DALE T. PORTALES	FIL	3,400.00	1.24%
ENGR.GENEROSO M. ORILLAZA	FIL	3,400.00	1.24%
TOTAL		112,200.00	46.82%

(3) Dividends

Dividend Information on the Two Most Recent Fiscal Years

No dividends were declared by the Company since its incorporation considering that it has not yet started its business operations.

Based on the provisions of the loan agreement with the Development Bank of the Philippines, payment of dividends maybe allowed provided that the debt service cover of at least 1.0x shall be maintained.

There is no recent sale of unregistered or exempt securities.

PART III. FINANCIAL INFORMATION

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

Management's Discussion and Analysis

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

	As of December 31		
	2024	**2023**	**2022**
Income Statement Data			
Revenue	P 381,120,184	P 273,689,741	P 183,890,792
Other Income	486,898	1,600,067	1,024,653
Cost of Sales and Services	(250,860,763)	(202,802,684)	(174,079,858)
Operating expenses	(76,411,792)	(41,823,730)	(34,806,094)
Finance cost	(43,511,702)	(37,014,323)	(18,893,308)
Operating Income (Loss)	10,822,825	(6,350,929)	(42,863,815)
Income tax benefit (expense)	(4,189,944)	1,589,768	9,742,847
Net Income (Loss)	6,632,881	(4,761,161)	(33,120,968)

Revenue
The revenue in 2024 is higher by 39.25% from the 2023 revenue of ₱107.43M, this was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.

Cost of sales

Cost of sales and services in 2024 is higher by 23.7% than in 2023. This is primarily due to increase in the majority of the expenses relative to the increase in revenue.

Other income
Other income for the year 2024 decreased by 69.57% as compared with the year 2023. This is primarily due to lower miscellaneous income in relation to the operation of the hospital.

Operating expenses
Expenses in 2024 are higher by 82.70% compared to 2023. This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.

Finance costs

Finance costs increased by 17.55% for the year ended December 31, 2024 compared to December 31, 2023. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax expense
Income tax expense amounts to ₱4.19M in 2024 due to increase of revenue during the year.

Income for the year
The hospital recognized net income in 2024, 239.31% higher compared in 2023. This was primarily due to increased revenue.

Financial Condition

Total assets increased from ₱1.0539B to ₱1.160B. The increased was caused by the significant increase in cash, trade and other receivables and inventories.

Cash increased by ₱4.3M was primarily due to the collection from operations, proceeds from advances and issuance of shares partly negated by the payment of trade and other payables, acquisition of property and equipment and intangible assets and payment of loans payable.

The increase in trade and other receivables by ₱119.6M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company increased the bed capacity of the hospital.

The increase in inventories by ₱4.4M pertains mainly to the purchased in hospital supplies.

Prepayments and other current assets decreased by ₱3.56M. This is primarily due to higher claimed in input taxes in 2024

Property and equipment decreased by ₱15.88M. This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.

The decrease in intangible asset pertains to amortization of hospital information system of the hospital.

Deferred tax asset decreased by ₱1.576M due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.

Total liabilities increased by ₱88.72M. The increase was primarily due to the higher expenses incurred by the hospital relative to the increase of the hospital bed capacity and additional advances from related parties.

Trade and other payables increased by ₱42.67M. This increase was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and increased of retention payable.

Loans payables decreased by ₱31.25M representing the payments made during the year.

The increase of ₱70.28M in advances from shareholders was due to additional advances in 2024.

The increased in equity was primarily due to the increase in share capital and share premium due to issuances of shares and by decrease in accumulated deficits due to net income incurred by the Company as of 2024

KEY PERFORMANCE INDICATORS

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Liquidity Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + receivables) / current liabilities]	0.560:1	0.245:1	0.255:1
Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.662:1	0.464:1	0.468:1
2. Solvency Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	2.012:1	1.871:1	2.004:1
3. Profitability Net profit margin - ability to generate surplus for stockholder (net income / sales)	0.017 :1	(0.017) :1	(0.180) :1
Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	0.018:1	(0.013):1	(0.116):1
4. Leverage Debt to total asset ratio - the proportion of total assetsfinanced by creditors. (total liabilities / total assets)	0.668:1	0.652:1	0.667:1
Asset to equity ratio - indicator of the overall financial stabilityof the Company. (total assets / equity)	3.012:1	2.871:1	3.004:1
Interest Rate Coverage Ratio			

Interest rate coverage ratio - measure of the company's ability to meet its interest payments (earnings before interest and taxes / interest expense) Remarks: The Company was able to meet its interest payments.	1.249:1	0.828:1	(0.750):1

DECEMBER 31, 2024 COMPARED TO DECEMBER 31, 2023

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2024	31-Dec-2023	Inc (Dec)	%age	31-Dec-2024	31-Dec-2023
Revenue	₱ 381,120,184	₱ 273,689,741	₱ 107,430,443	39.25%	100%	100%
Cost of sales and services	(250,860,763)	(202,802,684)	(48,058,079)	23.70%	-66%	-74%
Other income	486,898	1,600,067	(1,113,169)	-69.57%	0%	1%
Operating expenses	(76,411,792)	(41,823,730)	(34,588,062)	82.70%	-20%	-15%
Finance costs	(43,511,702)	(37,014,323)	(6,497,379)	17.55%	-11%	-14%
Income tax benefit (expense)	(4,189,944)	1,589,768	(5,779,712)	-363.56%	-1%	1%
Net income (loss)	**₱ 6,632,881**	**₱ (4,761,161)**	**₱ 11,394,042**	**-239.31%**	**2%**	**-2%**

The revenue in 2024 is higher by 39.25% from the 2023 revenue of ₱107.43M, this was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.

Cost of sales and services in 2024 is higher by 23.7% than in 2023. This is primarily due to increase in the majority of the expenses relative to the increase in revenue.

Other income for the year 2024 decreased by 69.57% as compared with the year 2023. This is primarily due to lower miscellaneous income in relation to the operation of the hospital.

Expenses in 2024 are higher by 82.70% compared to 2023. This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.

Finance costs increased by 17.55% for the year ended December 31, 2024 compared to December 31, 2023. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax expense amounts to ₱4.19M in 2024 due to increase of revenue during the year.

The hospital recognized net income in 2024, 239.31% higher compared in 2023. This was primarily due to increased revenue.

Financial Condition

	31-Dec-2024	31-Dec-2023	Horizontal Analysis Inc(Dec)	%age	Vertical Analysis 31-Dec-2024	31-Dec-2023
ASSETS						
Current Assets						
Cash	₱ 12,985,567	₱ 8,685,227	₱ 4,300,340	50%	1%	1%
Trade and other receivables	141,332,095	21,730,084	119,602,011	550%	12%	2%
Inventories	23,690,554	19,257,990	4,432,564	23%	2%	2%
Prepayments and other current	4,388,601	7,949,649	(3,561,048)	-45%	0%	1%
Total Current Assets	**182,396,817**	**57,622,950**	**124,773,867**	**217%**	**16%**	**5%**
Non-current Assets						
Property and equipment	958,177,143	974,059,309	(15,882,166)	-2%	83%	92%
Intangible asset	653,333	933,333	(280,000)	-30%	0%	0%
Deferred tax asset, net	19,677,745	21,254,738	(1,576,993)	-7%	2%	2%
Total Non-Current Assets	**978,508,221**	**996,247,380**	**(17,739,159)**	**-2%**	**84%**	**95%**
Total Assets	**₱ 1,160,905,038**	**₱ 1,053,870,330**	**₱ 107,034,708**	**10%**	**100%**	**100%**
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 122,303,833	₱ 79,629,509	₱ 42,674,324	54%	16%	12%
Loans payable - current	62,500,000	31,250,000	31,250,000	100%	8%	5%
Income tax payable	1,312,110	-	1,312,110	#DIV/0!	0%	0%
Other current liabilities	8,823,982	3,113,629	5,710,353	183%	1%	0%
Advances from related parties	80,560,523	10,280,483	70,280,040	684%	10%	1%
Total Current Liabilities	**275,500,448**	**124,273,621**	**151,226,827**	**122%**	**36%**	**18%**
Non-Current Liabilities						
Loans payable - non current	500,000,000	562,500,000	(62,500,000)	-11%	64%	82%
Total Liabilities	**775,500,448**	**686,773,621**	**88,726,827**	**13%**	**100%**	**100%**
Equity						
Share capital	219,980,000	219,430,000	550,000	0%	57%	60%
Share premium	224,434,000	213,309,000	11,125,000	5%	58%	58%
Accumulated deficits	(59,009,410)	(65,642,291)	6,632,881	-10%	-15%	-18%
Equity, Net	**385,404,590**	**367,096,709**	**18,307,881**	**5%**	**100%**	**100%**
Total Liabilites and Equity	**₱ 1,160,905,038**	**₱ 1,053,870,330**	**₱ 107,034,708**	**10%**	**100%**	**100%**

Total assets increased from ₱1.0539B to ₱1.160B. The increased was caused by the significant increase in cash, trade and other receivables and inventories.

Cash increased by ₱4.3M was primarily due to the collection from operations, proceeds from advances and issuance of shares partly negated by the payment of trade and other payables, acquisition of property and equipment and intangible assets and payment of loans payable.
The increase in trade and other receivables by ₱119.6M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company increased the bed capacity of the hospital.

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DECEMBER 31, 2023 COMPARED TO DECEMBER 31, 2022

Changes in Operating Results

		For The Year Ended				Horizontal Analysis		Vertical Analysis	
		31-Dec-2023		31-Dec-2022		Inc (Dec)	%age	31-Dec-2023	31-Dec-2022
Revenue	₱	273,689,741	₱	183,890,792	₱	(89,798,949)	-48.83%	100%	100%
Cost of sales and services		(202,802,684)		(174,079,858)		28,722,826	-16.50%	-74%	-95%
Other income		1,600,067		1,024,653		(575,414)	-56.16%	1%	1%
Operating expenses		(41,823,730)		(34,806,094)		7,017,636	-20.16%	-15%	-19%
Finance costs		(37,014,323)		(18,893,308)		18,121,015	-95.91%	-14%	-10%
Income tax benefit		1,589,768		9,742,847		8,153,079	83.68%	1%	5%
Net income (loss)	₱	**(4,761,161)**	₱	**(33,120,968)**	₱	**(28,359,807)**	**85.62%**	**-2%**	**-18%**

As disclosed in Note 1, the Company commenced partial operation in the last quarter of 2021. In the first quarter of 2022, it has started serving patients in the pharmacy and laboratory

7department and in the second quarter of 2022, it started accepting inpatients and its full operation commenced in January 2023 which causes significant increase in Revenue in 2023.

The significant increase in the cost of sales and services was directly associated with the start of the Company's full operation in 2023. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.

Other income for the year 2023 increase by 56% as compared with the year 2022. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

Operating expenses in 2023 are higher compared to 2022 by 20%. This was primarily due to significant increase in expenses such as taxes and licenses, credit losses, service processing fees, depreciation and miscellaneous expense party negated by other expenses.

Finance costs increased by 96% for the year ended December 31, 2023 compared to December 31, 2022. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax benefit for the year ended December 31, 2023 is lower than in 2022 by 73% due to lower expenses in 2023 resulting to lower taxable loss.

Loss for the year ended December 31, 2023 is lower than in 2022 by 86% primarily due to the significant decrease of expenses as the Company.

Financial Condition

				Horizontal Analysis		Vertical Analysis	
		31-Dec-2023	31-Dec-2022	Inc(Dec)	%age	31-Dec-2023	31-Dec-2022
ASSETS							
Current Assets							
Cash	₱	8,685,227 ₱	10,440,293 ₱	(1,755,066)	-17%	1%	1%
Trade and other receivables		21,730,084	17,384,067	4,346,017	25%	2%	2%
Inventories		19,257,990	20,014,234	(756,244)	-4%	2%	2%
Other current assets		7,949,649	3,274,862	4,674,787	143%	1%	0%
Total Current Assets		**57,622,950**	**51,113,456**	**6,509,494**	**13%**	**5%**	**5%**
Non-current Assets							
Property and equipment		974,059,309	982,996,347	(8,937,038)	-1%	92%	93%
Intangible asset		933,333	1,213,333	(280,000)	-23%	0%	0%
Deferred tax asset, net		21,254,738	18,577,826	2,676,912	14%	2%	2%
Total Non-Current Assets		**996,247,380**	**1,002,787,506**	**(6,540,126)**	**-1%**	**95%**	**95%**
Total Assets	₱	**1,053,870,330 ₱**	**1,053,900,962 ₱**	**(30,632)**	**0%**	**100%**	**100%**
LIABILITIES AND EQUITY							
Current Liabilities							
Trade and other payables	₱	79,629,509 ₱	64,643,413 ₱	14,986,096	23%	12%	9%
Loans payable - current		31,250,000	31,250,000	-	0%	5%	4%
Other current liabilities		3,113,629	3,094,196	19,433	1%	0%	0%
Advances from related parties		10,280,483	10,280,483	-	0%	1%	1%
Total Current Liabilities		**124,273,621**	**109,268,092**	**15,005,529**	**14%**	**18%**	**16%**
Non-Current Liabilities							
Loans payable - non current		562,500,000	593,750,000	(31,250,000)	-5%	82%	84%
Total Liabilities		**686,773,621**	**703,018,092**	**(16,244,471)**	**-2%**	**100%**	**100%**
Equity							
Share capital		219,430,000	218,600,000	830,000	0%	60%	62%
Share premium		213,309,000	193,164,000	20,145,000	10%	58%	55%
Accumulated deficits		(65,642,291)	(60,881,130)	(4,761,161)	8%	-18%	-17%
Equity, Net		**367,096,709**	**350,882,870**	**16,213,839**	**5%**	**100%**	**100%**
Total Liabilites and Equity	₱	**1,053,870,330 ₱**	**1,053,900,962 ₱**	**(30,632)**	**0%**	**100%**	**100%**

Total assets increased from ₱1.0538M to ₱1.0539B. The decreased was caused by the decreased in cash, inventories, property and equipment and intangible assets. This was negated by the increase in trade and other receivables, prepayments and other current assets, and deferred tax asset.

Cash decreased by ₱1.76M was primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations, proceeds from advances and issuance of shares.

The increase in trade and other receivables by ₱4.3M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its full operation in January 2023.

The decrease in inventories pertains mainly to consumption of pharmacy, hospital, laboratory and dietary supplies as the Company started its full operation in January 2023.

Prepayments and other current assets increased by ₱4.67M. This is primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.

Property and equipment decreased by ₱8.9M. This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.

The decrease in intangible asset pertains to amortization of hospital information system of the hospital.

The increase in deferred tax assets by ₱2.7M was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2023.

Total liabilities decreased by ₱16.2M. The decrease was primarily due to the payment made for bank loans.

Trade and other payables increased by ₱14.98M. This increase was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, increase in accrued interest payable and decreased of retention payable.

Loans payables decreased by ₱31.25M representing the payments made during the year.

Advances from related parties has no movement from beginning of 2022 to end of 2023.

The ₱16.21M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

DECEMBER 31, 2022 COMPARED TO DECEMBER 31, 2021

Changes in Operating Results

		For The Year Ended			Horizontal Analysis		Vertical Analysis	
		31-Dec-2022		31-Dec-2021	Inc (Dec)	%age	31-Dec-2022	31-Dec-2021
Revenue	₱	183,890,792	₱	3,937,282 ₱	179,953,510	4570.50%	100%	100%
Cost of sales and services		(174,079,858)		(15,050,297)	(159,029,561)	1056.65%	-95%	-382%
Other income		1,024,653		63,163	961,490	1522.24%	1%	2%
Operating expenses		(34,806,094)		(18,015,476)	(16,790,618)	93.20%	-19%	-458%
Finance costs		(18,893,308)		-	(18,893,308)	0.00%	-10%	0%
Income tax benefit		9,742,847		6,756,942	2,985,905	44.19%	5%	172%
Net income (loss)	₱	**(33,120,968)**	₱	**(22,308,386)** ₱	**(10,812,582)**	**48.47%**	**-18%**	**-567%**

As disclosed in Note 1, in the last quarter of 2021, the Company accepted outpatient on limited capacity and in first quarter of 2022, the Company opened the Pharmacy and Laboratory. In second quarter of 2022, The Company has launched partial operation of its hospital building and facilities.

Revenue generated for the year ended 2022 amounted to ₱183.89M. This was due to start of the Company's partial operation of the hospital in second quarter of 2022.

The significant increase in the cost of sales and services was directly associated with the start of the Company's partial operation in 2022. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.

Other income increased by 1,522%. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

The 93.20% increase in operating expenses in year ended December 31, 2022 compared with year ended December 31, 2021 was primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.

Finance costs increased by 100% for the year ended December 31, 2022 compared to December 31, 2021. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax benefit for the year ended December 31, 2022 is higher than in 2021 by 44% due to higher expenses in 2022 resulting to higher taxable loss.

Loss for the year ended December 31, 2022 is higher than in 2021 by 48% primarily due to the significant increase of expenses as the Company started the operation of the hospital in the second quarter of 2022.

Financial Condition

		31-Dec-2022		31-Dec-2021		Horizontal Analysis Inc(Dec)	%age	Vertical Analysis 31-Dec-2022	31-Dec-2021
ASSETS									
Current Assets									
Cash	₱	10,440,293	₱	102,299,385	₱	(91,859,092)	-90%	1%	10%
Trade and other receivables		17,384,067		53,000		17,331,067	32700%	2%	0%
Inventories		20,014,234		1,990,948		18,023,286	905%	2%	0%
Other current assets		3,274,862		689,482		2,585,380	375%	0%	0%
Total Current Assets		**51,113,456**		**105,032,815**		**(53,919,359)**	**-51%**	**5%**	**10%**
Non-current Assets									
Property and equipment		982,996,347		884,574,254		98,422,093	11%	93%	89%
Intangible asset		1,213,333		-		1,213,333	100%	0%	0%
Deferred tax asset, net		18,577,826		8,538,834		10,038,992	118%	2%	1%
Total Non-Current Assets		**1,002,787,506**		**893,113,088**		**109,674,418**	**12%**	**95%**	**85%**
Total Assets	₱	**1,053,900,962**	₱	**998,145,903**	₱	**55,755,059**	**6%**	**100%**	**100%**
LIABILITIES AND EQUITY									
Current Liabilities									
Trade and other payables	₱	64,643,413	₱	99,435,681	₱	(34,792,268)	-35%	9%	13%
Loans payable - current		31,250,000		18,750,000		12,500,000	67%	4%	2%
Other current liabilities		3,094,196		672,046		2,422,150	360%	0%	0%
Advances from related parties		10,280,483		54,798,338		(44,517,855)	-81%	1%	7%
Total Current Liabilities		**109,268,092**		**173,656,065**		**(64,387,973)**	**-37%**	**16%**	**25%**
Non-Current Liabilities									
Loans payable - non current		593,750,000		606,250,000		(12,500,000)	-2%	84%	78%
Total Liabilities		**703,018,092**		**779,906,065**		**(76,887,973)**	**-10%**	**100%**	**100%**
Equity									
Share premium		218,600,000		206,800,000		11,800,000	6%	62%	95%
Revaluation surplus		193,164,000		39,200,000		153,964,000	393%	55%	18%
Accumulated deficits		(60,881,130)		(27,760,162)		(33,120,968)	119%	-17%	-13%
Equity, Net		**350,882,870**		**218,239,838**		**132,643,032**	**61%**	**100%**	**100%**
Total Liabilites and Equity	₱	**1,053,900,962**	₱	**998,145,903**	₱	**55,755,059**	**6%**	**100%**	**100%**

Total assets increased from ₱998M to ₱1.053B. The increased was caused by the increased in trade and other receivables, inventories, prepayments and other current assets, property and equipment and deferred tax asset. This was negated by the decrease in cash.

Cash decreased by ₱91.85M was primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations and proceeds from advances and issuance of shares.

The increase in trade and other receivables by ₱17.33M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its operation in the second quarter of 2022.

The increase in inventories pertains mainly to purchases of pharmacy, hospital, laboratory and dietary supplies as the Company started its operation in the second quarter of 2022.

Prepayments and other current assets increased by ₱2.58M. This is primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.

Property and equipment increased by ₱98.42M This due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In second quarter of 2022, the Company launched the operations of its hospital building and facilities, hence Construction-in-progress was reclassified to Hospital Building Account partly negated by the depreciation as of the period by ₱23.82M.

The increase in intangible asset pertains to acquisition of hospital information system of the hospital.

The increase in deferred tax assets by ₱10.03M was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2022.

Total liabilities decreased by ₱76.88M. The decrease was primarily due to the payment made in advances from shareholders and trade and other payables.

Trade and other payables decreased by ₱34.79M. This decrease was mainly due to the lower purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, decreased of retention payable and accrued interest payable.

There was no movement in loans payable from 2021 to 2022.

Advances from related parties in 2022 decreased by ₱44.51M. This was primarily due the payment of the advances.

The ₱132.64M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

Material Changes in Financial Condition

From January 1, 2024 to December 31, 2024	***From January 1, 2023 to December 31, 2023***	***From January 1, 2022 to December 31, 2022***
a. Cash increased by ₱4.3M primarily due to the collection from operations, proceeds from advances and issuance of shares partly negated by the payment of trade and other payables, acquisition of property and equipment and intangible assets and payment of loans payable.	**a. Cash decreased by ₱1.76M** Primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated *by and collection from* operations and proceeds from advances and issuance of shares.	**a. Cash decreased by ₱91.85M** Primarily due to the expenditures on period, this was partly negated by and collection from operations and proceeds fromadvances and shares.

b. Trade and other receivables increased by ₱119.6M primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company increased the bed capacity of the hospital.	**b. Trade and other receivables increased by ₱4.3M** The increase was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursementsfrom HMO and DSWD as the Company started its full operation in January 2023.	**b. Trade and other receivables increased by ₱17.33M** The increase was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its operation in the second quarter of 2022.
c. Inventories increased by ₱4.4M pertains mainly to the purchased in hospital supplies.	**c. Inventories decreased by ₱756.2T** The decrease in inventories pertains mainly to consumption of pharmacy, hospital, laboratory and dietary supplies as the Company started its full operation in January 2023.	**c. Inventories increased by ₱18.02M** The increase in inventories pertains mainly to purchases of pharmacy, hospital, laboratory and dietary supplies.
d. Prepayment and other currents assets decreased by ₱3.56M	**d. Prepayment and other currents assets increased by ₱4.67M**	**d. Prepayment and other currents assets increased by ₱2.58M**
primarily due to higher claimed in input taxes in 2024	Primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.	Primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.
e. Property and equipment decreased by ₱15.88M This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.	**e. Property and equipment decreased by ₱8.9M** This due to depreciation expense for the period negatedby additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospitalequipment.	**e. Property and equipment Increased by ₱98.42M** This due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In second quarter of 2022, the Company launched the operations of its hospital building and facilities, hence Construction-in-progress was reclassified to Hospital Building Account partly negated by the depreciation as of the period by ₱23.82M.

f. Intangible assets decreased by ₱280K The decrease pertains toamortization of hospital information system of the hospital.	**f. Intangible assets decreased by ₱280K** The decrease pertains toamortization of hospital information system of the hospital..	**f. Intangible assets increased by ₱1.21M** The increase pertains to acquisition of hospital information system of the hospital.
g. Deferred tax assetdecreased by ₱1.576M due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.	**g. Deferred tax asset increased by ₱2.7M** The increase was mainly due torecognition of DTA on NOLCO,on allowance for credit losses and MCIT for the year ended December 31, 2023.	**g. Deferred tax asset increased by ₱10.03M** The increase was mainly due torecognition of DTA on NOLCO,on allowance for credit losses and MCIT for the year ended December 31, 2022.
h. Trade and other payables increased by ₱42.67M This increase was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and increased of retention payable.	**h. Trade and other payables decreased by ₱14.98M** This decrease was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors andaccrued expenses, increase in accrued interest payable and decreased of retention payable.	**h. Trade and other payables decreased by ₱34.79M** This decrease was mainly due to the lower purchases to suppliers of goods and services, payable of professional fee for doctors andaccrued expenses, the decreased of retention payableand accrued interest payable.
i. Advances from relatedparties increase of ₱70.28M	**i. Advances from relatedparties**	**i. Advances from relatedparties decreased by ₱44.51M**
primarily due to additional advances in 2024.	Advances from related parties has no movement from beginning of 2022 to end of 2023.	This was primarily due the payment of the advances.
k. Equity increased by ₱18.3M	**k. Equity increased by ₱16.21M**	**k. Equity increased by ₱132.64M**

primarily due to the increase in share capital and share premium due to issuances of shares and by decrease in accumulated deficits due to net income incurred by the Company as of 2024	due to issuance of shares which was negated by the negative result of operation for the year	due to issuance of shares which was negated by the negative result of operation for the year

Material Changes in Operations

2024 vs. 2023	***2023 vs. 2022***	***2022 vs. 2021***
a. Revenue increased by 39.25% This was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.	**a. Revenue increased by 49%** Its full operation commenced in January 2023 which causes significant increase in Revenue in 2023	**a. Revenue increased by 4571%** This was due to start of the Company's partial operation of the hospital in second quarter of 2022.
a. Cost of sales and services increased by 23.7% This is primarily due to increase in the majority of the expenses relative to the increase in revenue.	**a. Cost of sales and services increased by 16.50%** The significant increase in the costof sales and services was directly associated with the start of the Company's full operation in 2023. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies ,communication, light and water and outside services.	**a. Cost of sales and services increased by 1131%** The significant increase in the cost of sales and services was directly associated with the start of the Company's partial operation in 2022. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory s upplies,communication, light and water and outside services.
c. Operating expenses increased by 82.7% This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.	**c. Operating expenses increased by 20%** This was primarily due to significant increase in expenses such as taxes and licenses, credit losses, service processing fees, depreciation and miscellaneous expense.	**c. Operating expenses increased by 198%** Primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.

d. Other income decreased by 69.57% This is primarily due to lower miscellaneous income in relation to the operation of the hospital.	d. Other income increased by 56% This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.	d. Other income increased by 1522% This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.
e. Finance costs increased by 17.55% This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.	e. Finance costs increased by 96% This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.	e. Finance costs increased by 100% This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.
f. Income tax expense increased by 363.56%	f. Income tax benefit increased by 84%	f. Income tax benefit increased by 44%
Income tax expense amounts to ₱4.19M in 2024 due to increase of revenue during the year.	This was primarily due to lower expenses in 2023 resulting to lower taxable loss.	This was primarily due to increase in expenses resulting to higher taxable loss in 2022
g. Income for the year increased by 239.31%	g. Loss for the year decreased by 86%	g. Loss for the year increased by 48%
The hospital recognized net income in 2024, higher compared in 2023. This was primarily due to increased revenue.	Primarily due to the significant decrease of expenses as the Company.	Primarily due to the significant increase of expenses as the Company started the partial operation of the hospital in the second quarter of 2022.

Other Matter

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 January 19, 2022.

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.

B. Information on Independent Accountants and Other Related Matters

The Company's external auditor is the auditing firm of PEREZ, SESE, VILLA & CO. The same auditing firm is being recommended by the Board, based on the recommendation of the Audit Committee composed of Dr. Hazel Marie C. Recidoro (Chairman), Dr. Geanie A. Cerna – Lopez, and Dr. Jonathan H. Reblando, subject to stockholders' approval, for re-appointment as the Company's external auditor for the fiscal year 2024, for a fee of P280,000.00 (exclusive of VAT and out-of-pocket expenses).

a. The Audit committee evaluates proposals based on the quality of service, commitment for deadline and fees. The committee may require a presentation from each proponent to clarify some issues.
b. PEREZ, SESE, VILLA & CO. represented by its engagement partner, Ms. Ma. Alma Sese, , is the external auditor of the Company for the most recently completed year 2024. Pursuant to

SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged Ms. Alma Sese for more than five years.

c. 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.
d. During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.
e. The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:

   For the year 2024 - P152,400.00 (billed and paid in 2025
   For the year 2023 - P302,400.00 (billed and paid in 2023 and 2024)

f. The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (P152,400.00);

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, and recommending to the Board of Directors the appointment or discharge of external auditors as well as reviewing and approving audit-related and non-audit services to be rendered by 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, and ensure proper coordination, if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

(A) Directors, Executive Officers

(1) Directors

There are fifteen (15) members of the Board, two (2) of whom are independent directors. The term of office of each member is one (1) year; they are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. A director who is elected to fill any vacancy holds office only for the unexpired term of his predecessor. The following are the current members of the Board of Directors:

Name	Business and/or Professional Work Experience Within the Past 5 Years

Enriquez, Amado Manuel Jr. C.
73 y/o, Filipino

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);
Alaminos Medical Center Foundation (2001-present)
Founding Chairman –
ACE Medical Center Valenzuela,
ACE Medical Center Baliwag,
ACE Medical Center Pateros,
ACE Medical Center Legazpi,
ACE Medical Center Mandaluyong,
ACE Medical Center Palawan,
ACE Medical Center Iloilo,
ACE Medical Center Tacloban,
ACE Medical Center Bohol,
ACE Medical Center Dumaguete,
ACE Medical Center Bacolod,
ACE Medical Center General Santos,
ACE Medical Center CDO,
ACE Medical Center Dipolog,
ACE Medical Center Zamboanga,
ACE Medical Center Butuan
Active consultant in Cardiovascular-Thoracic Surgery – St. Lukes Medical Center, Manila East Medical Center, ACE Medical Center Hospitals.

Reblando, Jonathan H.
49 y/o, Filipino

Hospital Affiliations: ACEMC Palawan Inc./ Founder
Adventist Hospital ng Palawan

Carlos, Fernando P.
64 y/o- Filipino

President ACE Medical Center Pateros (2011-2018)
President ACE Medical Center qc (2012)
President ACE Medical Center Tacloban (2014-
President ACE Medical Center Dipolog 2017
President ACE Medical Center- Cebu City (2017)
President- Las Piñas City Medical Center
Medical Director- Unihealth Parañaque
Management Consultant- Medical Center Muntinlupa (2016)
Past Hospital Admin- Unihealth Parañaque Hospital (2016)
Las Piñas City Medical Center (2016)

Cerna- Lopez, Geanie C.
72 y/o - Filipino

Past President Parañaque Doctors Hospital (2015) Hospital Affiliations:

- ACE Hospitals
- Parañaque Doctor' Hospital
- Unihealth Parañaque Hospital and Medical Centre
- Las Piñas City Medical Centre
- Asian Hospital and Medical Centre

Recidoro , Hazel Marie C.
46 y/o, Filipino

Societies, Professional and Business Org. Affiliations:Philippine Hospital Association
Philippine Medical Association Fellow,
Philippine Board of Radiology
Fellow CT,MRI Society of the PhilippinesQuezon City Medical Association Founder/ ACEMC Palawan Inc.
Member of the Board ACEMC Qouezon City
ACEMC- Pateros Chef Finance Officer, Hospital Admin.

Funelas, Evelyn Dolot 63 y/o, Filipino	Founder/ ACEMC Palawan Inc. Department Head of Procurement and Property MaterialsManagement of ACEMC Palawan Inc. Head of High Risk Pregnancy Unit
Enriquez, Michael Edward R. 43 y/o Filipino	Hospital Administrator ACE Medical Center Valenzuela Vice President ACE Medical Center QC Vice President ACE Medical Center Pateros
Portales, Janice Dale Tadeo 48 y/o, Filipino	Chief of Clinics- ACEMC Palawan Inc. Chief of Clinics- ACEMC Palawan Inc. Department Head, Drug and Therapeutics Committee- ACEMC Palawan Inc. Founder- ACEMC Palawan Inc. Member of Committee on Continuing Medical Education (PMMGMPC-Palawan) Vice President- Palawan Medical Society 2022-2023 Asst. Treasurer of Community Pediatric Society
Tovera,Joseph M.. 49 y/o, Filipino	CECEO/President- First Apex Philippines Health System Corp.Founder/ Adviser- Palawan Cancer Support Group Inc. Chairman- Department of Internal Medicine AHP Medical Oncology Consultant- PMMG- Coop Hospital,PalawanAdventist Hospital Palawan President/ Founder ACEMC Palawan Inc. Visiting Consultant- Manila Doctors Hospital Manila Med. Part-Time Faculty/ Lecturer- San Beda College of Medicine,Virgen Milagrosa College of Medicine Medical Director- ACEMC Palawan Inc. (2022-2023) Medical Consultant-Globo Asiatico Enterprise (2022-2023) Pre- Reviewer for Oncology 2019- Philippine Journal of InternalMedicine (2014 to 2019) Medical Training Officer –Ospital ng Palawan- (2016-2018) Head of Intensive care unit- Urduja General Hospital – 2015Medical Head/ Director- Novartis Oncology (2011-2014) Medical and Marketing Manager- ROCHE (2009-2010)
Alfaro, Regidor L. 64 y/o, Filipino	Founder/ ACEMC Palawan Inc. Visiting Physician-MMG Cooperative Hospital, Puerto Princesa City, Palawan Visiting Physician- Adventist Hospital Palawan 2013-2020 Treasurer, Palawan Medical Society
Palanca, Lumen R. 67 y/o Filipino	2017 Treasurer ACEMC Palawan Inc. Consultant, Adventist Hospital Palawan Consultant- MMG Cooperative Hospital, Puerto Princesa City
Samoy, Marietta T. 68 y/o Filipino	President- Allied Care Experts (ACE) Medical Center Mandaluyong (2016)- present President – Allied Care Experts (ACE) Medical Center Legazpi. Inc. (2016 present) President- Allied Care Experts (ACE) Medical Center Bayawan 2017 present Medical Director – Parañaque Doctors Hospital (2016-2017) President- Unihealth Parañaque Hospital Medical Director, Pharmacist, OB-Gyne Sonologist, Obstetrician Gynecologist
Tagra, Mina Sirikit 64 y/o Filipino	Claridad Pharmacy Finance officer Husain and Health Beauty Haven and SPA Proprietor, Home Stay Real Pension House Proprietor, Mina's Place, Tacloban City

Pablico, Shereil Delos Santos 46 y/o, Filipino	Consultant- MMG Cooperative Hospital ,Puerto PrincesaCity,Palawan Top Performing Phycisian,- Adventist Hospital Founder/ Corporate Secretary- ACEMC Palawan Inc. Fellow, Philippine Pediatrics Society, Dept. Head- ACEMC PALAWAN Inc. Component Secretary 2023/ PMS,Outstanding Secretary 2023-PMA
Vicente, Ivan Michael G. 43 y/o Filipino	2012-2014 Fellow, UP –PGH Section of Gastroenterologists in Adventist Hospital Medical City MMG Cooperative Hospital

(2) Executive Officers

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

Amado Manuel C. Enriquez, Jr.	- Chairman
Geanie Cerna- Lopez	- Vice-Chairman
Joseph Tovera	- President
Marietta T. Samoy	- Vice-President
Lumen R. Palanca	- Treasurer
Fernando P. Carlos	- Assistant Treasurer
Shereil D. Pablico	- Corporate Secretary
Rosalie M. Reyes	- Asst. Corporate Secretary

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

INCUMBENT OFFICERS

Amado Manuel Enriquez, Jr.	- Chairman, see foregoing Director's Profile
Geanie Cerna- Lopez	- Vice-Chairman, see foregoing Director's Profile
Joseph Tovera	- President, see foregoing Director's Profile
Marietta T. Samoy	- Vice-President, see foregoing Director's Profile
Lumen R. Palanca	- Treasurer, see foregoing Director's Profile
Fernando P. Carlos	- Assistant Treasurer
Shereil D. Pablico	- Corporate Secretary, see foregoing Director's Profile
Rosalie M. Reyes	- Assistant Corporate Secretary

(3) Significant Employees

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

(4) Family Relationships

Dr. Amado Manuel C. Enriquez, Jr. and his wife Dr. Marilyn R. Enriquez, his sons, Dr. Miguel Antonio R. Enriquez and Dr. Michael Edward R. Enriquez, and his first cousin Dr. Fernando P. Carlos, are all stockholders of the Company.

Aside from the above-named stockholders, there are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, any security holder of a certain record, beneficial owner, or management.

(5) Certain Relationships and Related Transactions

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

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	70,280,040	₱ 80,560,523		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

2022

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them tom their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱ 10,280,483		

Cash Advances

The Company obtains cash advances from its founders to finance the Company's pre-operating expenses, other start up fund requirements and on-going construction of hospital building. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from related parties account in the statements of financial position.

During the last two (2) years, no director of the 20, 20172019 has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

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.

(6) Involvement in Certain Legal Proceedings

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

Amado Manuel C. Enriquez, Jr.
Marietta T. Samoy
Geanie Cerna-Lopez

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

On March 7, 2018, complainants Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, and 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. February 2001 8 The Defendants (based in Cebu) have already filed their Answer to the Complaint. However, the complaint for Manila-based Doctors is yet to be served. We filed a Motion to Dismiss the Complaint for the lack of interest of the plaintiffs to prosecute the case last August 5, 2020. Awaiting the Court's decision.

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

On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016. The Defendants (based in Cebu) have already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgment, but the same was opposed by the defendants on May 15, 2018. The Court has not yet ruled on the plaintiff's Motion for Partial Summary Judgment of May 2, 2018. Unless the Court resolves the Motion for Summary Judgment by the plaintiff, the case will not move on. The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for Pre-Trial on April 30, 2021. 3. Special Civil Action Case No. R-CEB-18-08795-SC, Branch XI, Cebu City (For Mandamus to Issue 100% Pre-Emptive Rights, Damages and for Attorney's Fees) - Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. Al vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., 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.

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.

(B) Compensation of Directors and Executive Officers

SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)
Name & Principal Position	**Year**	**Salary**	**Bonus**	**Other Compensati on**
A. Chairman	2024	90,000.00	-	-
B. President	2024	90,000.00	-	-
C. Corporate Secretary	2024	60,000.00	-	-
D. Treasurer	2024	60,000.00	-	-
E. **Aggregate For The Above Named CEO & Officers**	**2025-Estim.**	300,000.00	-	-
	2024	300,000.00	-	-
	2023	200,000.00	-	-
F. **Aggregate For The Officers And Directors As A Group**	**2025-Estim.**	2,000,000.0 0	-	-
	2024	300,000	-	-
	2023	2,000,000.0 0-	-	-

Except for per diem (P5,000.00/board meeting) during board meetings for each director, there are no bonus, 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.

The Company has a registered, non-contributory retirement plan. All regular employees are covered from the President down to rank and file.

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

(C) Security Ownership of Certain Record and Beneficial Owners

(1) The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of 31 December 2024 are as follows:

Title of Class	*Name, Address of record owner and Relationship with Issuer*	**Name of Beneficial Owner and Relationship with Record Owner**	**Citizenship**	**Shares Held**	**Percent**
Common Founder	Marilyn Enriquez Miguel Antonio Enriquez Michael Edward Enriquez	Amado Manuel Enriquez, Jr. /husband, father	Filipino	34,000	14.16%

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

(1) Title of Class	**(2) Name of Beneficial Owner**	**Position**	**(3) Amount and Nature of Beneficial Ownership**	**(4) Citizenship**	**(5) Percentage (%) of Class**
	Board of Directors:				
Common Founder	**Amado C. Enriquez Jr.**	Director	Direct Common 3,390,000 Founder 10,000 Indirect 17,000,000	FILIPINO	8.5%
Common Founder	**Tovera, Joseph M.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Carlos, Fernando P.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%

Common Founder	**Cerna- Lopez Geanie A.**	Director	Direct Common 6,780,000 Founder 20,000	FILIPINO	2.83%
Common Founder	**Pablico, Shereil D.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Enriquez, Michael Edward R.**	Director	Direct Common 13,560,000 Founder 40,000 Indirect 6,800,000	FILIPINO	8.5%
Common Founder	**Funelas, Evelyn D.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Palanca, Lumen R.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Recidoro, Hazel Marie C.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Samoy, Marietta T.**	Director	Direct Common 6,780,000 Founder 20,000	FILIPINO	2.83%
Common Founder	**Reblando, Jonathan H.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Alfaro, Regidor L.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Vicente, Ivan Michael G.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Portales, Janice Dale T.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	**Tagra, Mina Sirikit C.**	Director	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Total for Directors			**91,800,000.00**		38.25%

Executive Officers:					
Common Founder	Joseph M. Tovera	President	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%

Common Founder	Marietta T. Samoy	Vice-President	Direct Common 6,780,000 Founder 20,000	FILIPINO	2.83%
Common Founder	Shereil D. Pablico	Corporate Secretary	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	Rosalie M. Reyes	Asst. Corp. Secretary	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	Lumen R. Palanca	Treasurer	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Common Founder	Fernando P. Carlos	Asst. Treasurer	Direct Common 3,390,000 Founder 10,000	FILIPINO	1.42%
Total for Officers			**23,800,000**		**9.92%**
Common Founder	**Directors and Exec. Officers as a Group**		**95,200,000.00**		**39.66%**

(3) Except for Dr. Amado Manuel Enriquez Jr., who owns 8.5% (through direct and indirect ownership), and Dr. Michael Edward R. Enriquez who owns 8.5% (through direct and indirect ownership), Dr. Geanie Cerna- Lopez owns 2.83%, Dr. Marietta T. Samoy owns 2.83%, none of the other Company's directors and management owns directly or indirectly 2.0% or more of the outstanding capital stock of the Company.

(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.

(D) 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:

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	70,280,040	₱ 80,560,523		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions

Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may **apply them from their unpaid subscription; no scheduled repayment terms**	Unsecured
	Advances	-	₱ 10,280,483		

2022

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them tom their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱ 10,280,483		

Cash Advances

The Company obtains cash advances from its founders to finance the Company's pre-operating expenses, other start up fund requirements and on-going construction of hospital building. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from related parties account in the statements of financial position.

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). The directors, officers, and employees perform their duties and responsibilities in accordance with the mission and vision of the Company and the corporate practices pursuant to its Manual on Corporate Governance. The Board committees, including the Nominations and Audit committees, have complied with their duties and responsibilities under the Manual on Corporate Governance. There were no major deviations from the adopted Manual on Corporate Governance.

The Company, in pursuit of its mission and vision, likewise implemented the following programs/activities:

The Directors, Officers, and key hospital personnel attended lectures on the New Code of Corporate Governance for Public Companies and Registered issuer and Revised Corporation Code of the Philippines on January 27, 2023, provided by the Center for Global Best Practices (CGBP), in compliance with SEC Memorandum Circular No. 20, series of 2013 and the Corporation's Manual on Corporate Governance.

Pursuant to its Manual of Corporate Governance, the Board organized the various committees composed of the following members:

Audit Committee
Chairman: Dr. Hazel Marie C. Recidoro – Independent Director
Members: Dr. Jonathan H. Reblando - Independent Director
Dr. Geanie A. Cerna-Lopez

Nominations Committee
Chairman: Dr. Evelyn D. Funelas
Members: Dr. Marietta T. Samoy
Dr. Mina Sirikit C. Tagra – Independent Director
Dr. Sonia J. Ulanday –(Non- voting)
Dr. Karen A. Acosta - (Non- voting)

Compensation and Remuneration Committee
Chairman: Dr. Janice Dale T. Portales
Members : Dr. Lumen R. Palanca
Dr. Jonathan H. Reblando – Independent Director
Dr. Ronnie Dan G. Salazar (Non- voting)
Dr. Jonathan T. Lao – (Non- voting)

Corporate Governance Committee
Chairman : Dr. Jonathan H. Reblando (Independent Director)
Members : Dr. Ivan Michael G. Vicente
Dr. Hazel Marie C. Recidoro (Independent Director)

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

PART VI - EXHIBITS AND SCHEDULES

(a) Exhibit

* 2024 Audited Financial Statements

(b) Reports on SEC Form 17-C

None.

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.

Joseph Tovera
President
226-487-624

Shereil D. Pablico
Corporate Secretary
944-091-558

Lumen R. Palanca
Treasurer
137-336-429

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

APR 25 2025 SUBSCRIBED AND SWORN TO BEFORE ME THIS ____ DAY OF ____ AT PUERTO PRINCESA CITY, AFFIANT EXHIBITED TO ME HIS/HER VALID IDENTIFICATION NO.________ ISSUED BY ____________.

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Book No. V
Series of 2025

ATTY. ONOS B. MANGOTARA
NOTARY PUBLIC FOR CITY OF PUERTO PRINCESA
ABORLAN, NARRA, AGUTAYA, CUYO, MAGSAYSAY, PAL.
ROLL NO. 27750/NPL NO. 2024-056, UNTIL DEC. 31, 2025
IBP NO. 000478/JUNE 28, 2024
PTR NO. 2102877/JANUARY 02, 2025
MCLE COMPLIANCE NO. VIII-0003669/04.14.2028
GRB BLDG. LACAO ST., BGY. MANINGNING, PPC

PEREZ, SESE, VILLA & Co.
CERTIFIED PUBLIC ACCOUNTANTS

ANNUAL REPORT

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Malate, Manila 1004

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

FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022

and

Report of Independent Auditors

ALLIED CARE EXPERTS
MEDICAL CENTER PALAWAN
Member of ACE Group of Hospitals

South Nat. Highway, Brgy. San Pedro, Puerto Princesa City, Palawan
Contact No.: (0917) 6120-913/ (0948) 7170-019 Phone: 048-717-0019
Facebook Account: ACE Medical Center Palawan
Website: www.acemcpalawan.org
Email Address: palawanacegroup@gmail.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, 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, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, 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.

TAGNIA, ORTEGA & PARTNERS, CPAs and PEREZ, SESE, VILLA & CO., the independent auditors appointed by the shareholders for the years ended December 31, 2024 and 2023, 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

JOSEPH M. TOVERA
President
226-487-624

LUMEN R. PALANCA
Treasurer
137-336-429

Signed this 11th day of April 2025.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the PUERTO PRINCESA CITY Philippines, this APR 30 2025 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

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Book No. XXI
Series of 2025

KRISTOFER MANUEL I. ARALAR
NOTARY PUBLIC
ROLL NO. 84559
PUERTO PRINCESA CITY

ATTY. KRISTOFER MANUEL I. ARALAR
NOTARY PUBLIC FOR CITY OF PUERTO PRINCESA
ABORLAN, NARRA, AGUTAYA, CUYO, MAGSAYSAY, PAL.
ROLL NO. 84559/NPL NO. 2025-023, UNTIL DEC. 31, 2026
IBP NO. 495099/JAN. 02, 2025/PTR NO. 2109878/01.02.2025
(ADMITTED TO THE BAR OF MAY 02, 2023)
CRB BLDG. LACAO ST., BRGY. MANINGNING, PPC

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 EXPERTS (ACE)
MEDICAL CENTER-PALAWAN, INC.
Jomari Building B, 2nd Floor Malvar St.,
Puerto Princesa City, Palawan

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated April 11, 2025.

In compliance with the Revised Securities Registration Code Rule No. 68, we are stating that the Company has fifty-three (53) shareholders owning one hundred (100) or more shares of the Company's capital stock as of December 31, 2024, as disclosed in Note 15 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. 2093955, Issued on January 6, 2025, Manila City
SEC Accreditation No:
Partner – 54588-SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
Firm – 0222-SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,
valid for three (3) years until April 11, 2027
IC Accreditation No.
Partner -54588-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
Firm -0222-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 11, 2025

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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(02) 8 994-3984
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1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To the Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER-PALAWAN, INC.
Jomari Building B, 2nd Floor Malvar St.,
Puerto Princesa City, Palawan

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.** (the Company) for the year ended December 31, 2024 and have issued our report thereon dated April 11, 2025. 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
PTR No. 1533625, Issued on January 4, 2024, Manila City
SEC Accreditation No:
Partner – 54588-SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
Firm – 0222-SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
BIR Accreditation No. 04-003494-1-2024, issued on March 11, 2024,
valid for three (3) years until March 10, 2027
IC Accreditation No.
Partner -54588-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
Firm -0222-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 11, 2025

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER-PALAWAN, INC.
Jomari Building B, 2nd Floor Malvar St.,
Puerto Princesa City, Palawan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.** (the Company), which comprise the statements of financial position as at December 31, 2024, 2023 and 2022, and the statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years 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, 2024, 2023 and 2022, and its financial performance and its cash flows for the years 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.

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, 2024 required by the Bureau of Internal Revenue as disclosed in Note 29 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. 2093955, Issued on January 6, 2025, Manila City
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valid for five (5) years covering the audit of 2022 to 2026 financial statements
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valid for five (5) years covering the audit of 2022 to 2026 financial statements
BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,
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valid for five (5) years covering the audit of 2020 to 2024 financial statements
Firm -0222-IC, Group B, issued on December 3, 2020
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BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 11, 2025

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

STATEMENTS OF FINANCIAL POSITION

December 31, 2024, 2023 and 2022

	Notes	2024	2023	2022
ASSETS				
Current Assets				
Cash	*4,5,6*	₱ **12,985,567**	₱ 8,685,227	₱ 10,440,293
Trade and other receivables	*4,5,7*	**141,332,095**	21,730,084	17,384,067
Inventories	*4,8*	**23,690,554**	19,257,990	20,014,234
Prepayments and other current assets	*4,9*	**4,388,601**	7,949,649	3,274,862
Total Current Assets		**182,396,817**	57,622,950	51,113,456
Non-Current Assets				
Property and equipment	*4,5,10*	**958,177,143**	974,059,309	982,996,347
Intangible asset	*4,5,11*	**653,333**	933,333	1,213,333
Deferred tax asset	*4,22*	**19,677,745**	21,254,738	18,577,826
Total Non-Current Assets		**978,508,221**	996,247,380	1,002,787,506
TOTAL ASSETS		₱ **1,160,905,038**	₱ 1,053,870,330	₱ 1,053,900,962
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	*4,12*	₱ **122,303,833**	₱ 79,629,509	₱ 64,643,413
Loans payable - current	*4,14*	**62,500,000**	31,250,000	31,250,000
Income tax payable	*4,22*	**1,312,110**	-	-
Other current liabilities	*4,13*	**8,823,982**	3,113,629	3,094,196
Advances from related parties	*4,21*	**80,560,523**	10,280,483	10,280,483
Total Current Liabilities		**275,500,448**	124,273,621	109,268,092
Non-Current Liabilities				
Loans payable - non current	*4,14*	**500,000,000**	562,500,000	593,750,000
Total Liabilities		**775,500,448**	686,773,621	703,018,092
Equity				
Share capital	*4,15*	**219,980,000**	219,430,000	218,600,000
Share premium	*4,15*	**224,434,000**	213,309,000	193,164,000
Accumulated deficits	*4*	**(59,009,410)**	(65,642,291)	(60,881,130)
Equity, net		**385,404,590**	367,096,709	350,882,870
TOTAL LIABILITIES AND EQUITY		₱ **1,160,905,038**	₱ 1,053,870,330	₱ 1,053,900,962

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For The Years Ended December 31, 2024, 2023 and 2022

	Notes	2024	2023	2022
REVENUE	*4,16*	**₱ 381,120,184**	₱ 273,689,741	₱ 183,890,792
COST OF SALES AND SERVICES	*4,17*	**(250,860,763)**	(202,802,684)	174,079,858
GROSS PROFIT		**130,259,421**	70,887,057	9,810,934
OTHER INCOME	*4,19*	**486,898**	1,600,067	1,024,653
GROSS INCOME		**130,746,319**	72,487,124	10,835,587
OPERATING EXPENSES	*4,18*	**(76,411,792)**	(41,823,730)	(34,806,094)
FINANCE COST		**(43,511,702)**	(37,014,323)	(18,893,308)
INCOME (LOSS) BEFORE TAX		**10,822,825**	(6,350,929)	(42,863,815)
INCOME TAX EXPENSE (BENEFIT)	*4,22*			
Current		**2,612,951**	1,087,144	296,145
Deferred		**1,576,993**	(2,676,912)	(10,038,992)
		4,189,944	(1,589,768)	(9,742,847)
INCOME (LOSS) FOR THE YEAR		**6,632,881**	(4,761,161)	(33,120,968)
COMPREHENSIVE INCOME (LOSS)		**-**	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**₱ 6,632,881**	₱ (4,761,161)	₱ (33,120,968)
BASIC EARNINGS (LOSS) PER SHARE	23	**₱ 30.15**	₱ (21.70)	₱ (151.51)

(See accompanying Notes to Financial Statements)

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

STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2024, 2023 and 2022

	Notes	**2024**	2023	2022
SHARE CAPITAL	*4,15*			
Balance, beginning of the year		**₱ 219,430,000**	₱ 218,600,000	₱ 206,800,000
Issuance of shares		**550,000**	830,000	11,800,000
Balance, end of the year		**219,980,000**	219,430,000	218,600,000
SHARE PREMIUM	*4,15*			
Balance, beginning of the year		**₱ 213,309,000**	₱ 193,164,000	₱ 39,200,000
Issuance of shares		**11,125,000**	20,145,000	153,964,000
Balance, end of the year		**224,434,000**	213,309,000	193,164,000
ACCUMULATED DEFICITS	*4*			
Balance, beginning of the year		**(65,642,291)**	(60,881,130)	(27,760,162)
Income (loss) for the year		**6,632,881**	(4,761,161)	(33,120,968)
Balance, end of the year		**(59,009,410)**	(65,642,291)	(60,881,130)
EQUITY, net		**₱ 385,404,590**	₱ 367,096,709	₱ 350,882,870

(See accompanying Notes to Financial Statements)

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

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2024, 2023 and 2022

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the year		₱ 10,822,825	₱ (6,350,929)	₱ (42,863,815)
Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Interest income	*4,19*	(6,323)	(10,857)	(121,053)
Interest expense		43,511,702	37,014,323	18,893,308
Depreciation	*4,10,21*	36,580,746	24,577,897	23,822,272
Amortization		280,000	280,000	186,667
Operating income (loss) before changes in working capital		91,188,950	55,510,434	(82,621)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Trade and other receivables	*4,5,7*	(119,602,011)	(4,346,017)	(17,331,067)
Inventories	*4,8*	(4,432,564)	756,244	(18,023,286)
Prepayments and other current assets	*4,9*	3,561,047	(5,761,931)	(2,561,539)
Increase (decrease) in:				
Trade and other payables	*4,12*	48,759,125	14,986,096	(33,317,038)
Other current liabilities	*4,13*	5,710,353	19,433	2,422,150
Cash provided by (used in) operation		25,184,900	61,164,259	(68,893,401)
Interest received	*4,19*	6,323	10,857	121,053
Income tax paid		(1,300,841)	-	(319,986)
Net cash provided by (used in) operating activities		23,890,382	61,175,116	(69,092,334)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*4,5,10*	(20,698,580)	(15,640,859)	(109,179,895)
Intangible asset	*4,11*	-	-	(1,400,000)
Interest expense paid	*4,11,15*	(49,596,502)	(37,014,323)	(33,439,977)
Interest income received	*4,6,11*	-	-	6,969
Net cash used in investing activities		(70,295,082)	(52,655,182)	(144,012,903)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	*4,15*	11,675,000	20,975,000	165,764,000
Payment of loan	*4,15*	(31,250,000)	(31,250,000)	-
Payment of advances from related parties	*4,21*	70,280,040	-	(54,798,338)
Proceeds from advances from related parties	*4,21*	-	-	10,280,483
Net cash provided by (used in) financing activities		50,705,040	(10,275,000)	121,246,145
NET DECREASE IN CASH		4,300,340	(1,755,066)	(91,859,092)
CASH AT THE BEGINNING OF THE YEAR		8,685,227	10,440,293	102,299,385
CASH AT THE END OF THE YEAR		₱ 12,985,567	₱ 8,685,227	₱ 10,440,293

(See accompanying Notes to Financial Statements)

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - PALAWAN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 and 2022

NOTE 1 - GENERAL INFORMATION

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC. (the Company) is a stock corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on January 20, 2017 under Registration No. CS201702182.

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..

On March 29, 2021, the SEC En Banc under SEC MSRD Order No. 14 Series of 2021 approved effective the registration statement of the Company for 240,000 shares broken down as follows: the primary offering to be sold by way of initial public offering for thirty six thousand (36,000) common shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from 150,000.00 per block up to a maximum offer price of ₱600,000.00 per block with an aggregate principal amount of Nine Hundred Ninety-Nine Million Nine Hundred Thousand Pesos (₱999,900,000.00); six hundred (600) founders shares – not included in the offer; and two hundred three thousand four hundred (203,400) common shares – 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 Regulations 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 Jomari Bldg., B. 2nd Flr, Malvar St., Puerto Prinsesa City, Palawan.

Status of Operation

The Company commenced full operation in January 2023.

Approval of the Financial Statements

The financial statements of the Company for the year ended December 31, 2024 including its comparative figures for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on April 11, 2025.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared in accordance with the *Philippine Financial Reporting Standard (PFRS)* Accounting Standards as approved by the Financial and Sustainability Reporting Standards Council (FSRSC). This financial reporting framework includes PFRS, Philippine Accounting Standard (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncement.

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2024 and 2023 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, unless stated otherwise. 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 27 - 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 accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2024.

- *Amendments to PAS 1, Presentation of Financial Statements – Non-current liabilities with covenants.*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities, and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- *Amendments to PAS 7, Statements of Cash Flows and PFRS 7, Financial instruments: Disclosures – Supplier Finance Arrangements*

The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to a concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

a. The terms and conditions of the arrangements
b. The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements

c. The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
d. Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
e. Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after January 2024. Earlier application is permitted.

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

The amendments to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller- lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in PFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying PFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PFRS 16.

New and Amended Standards Issued but not yet Effective or Adopted

Pronouncements issued but not yet effective are listed below. The Company intends to apply the following pronouncement when they become effective. Adoption of these pronouncements is not expected to have a material impact on the Company's financial statements.

Effective beginning on or after January 1, 2025

- *PFRS 17, Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

a. A specific adaptation for contracts with direct participation features (the variable fee approach)
b. A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

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

Effective beginning on or after January 1, 2026

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

The amendments clarify that 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 identify 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 any 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*

  a) 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.

  b) 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.

Effective beginning on or after January 1, 2027

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

- *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. 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.

Deferred effectivity

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

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 Financial and Sustainability Reporting Standards Council 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.

NOTE 4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

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.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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 financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 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 profit or loss when the financial assets are derecognized and through amortization process.

As at December 31, 2024, 2023 and 2022, the Company's cash and trade and other receivables account are classified under this category (Note 6 and 7).

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

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.

Prepayments and Other Current Assets

Prepayments are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments are recognized when paid and stated at cost less any utilized portion. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in the statements of comprehensive income when incurred.

Other current assets include input value-added tax (VAT). Input VAT is stated at any costless impairment in value. Input VAT is the indirect tax paid by the Company on the local purchase of goods or services from a VAT-registered person. Input VAT is deducted from the output VAT in arriving at the VAT due and payable. When the output tax exceeds the input tax, the difference is recognized as a current liability in the statements of financial position. When the input tax exceeds the output tax, the excess is carried over to the next reporting period and is recognized as an aiset presented as Input VAT in the statements of financial position. Allowance for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portion of the claims.

Prepayments and other current assets that are expected to be realized for not more than 12 months after the end of the reporting period are classified as current assets; otherwise, these are classified as other noncurrent assets.

At each reporting date, prepayments and other current assets are assessed for impairment. If impaired, the carrying amount is reduced to it carrying amount; the impairment loss is recognized immediately in statements of comprehensive income.

Prepayments and other current assets are derecognized when they have no future benefit is expected from it. Any gain or loss on derecognition of prepayment and other assets is recognized in the statements of comprehensive income in the year in which it arises.

Prepaid Income Taxes

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.

Trade and Other Pavables

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.

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.

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, 2024, 2023 and 2022, the Company's trade and other payables, advances from related parties, and loans payable accounts are classified under this category (Note 12, 14 and 21).

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 FVTPL 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 recognize 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 records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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 Janitorial 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 first-in, first-out 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.

Advances to Contractors and Suppliers

Advances to contractors and suppliers represents advance payment made to contractors for services rendered and suppliers for purchases of materials and equipment. This is initially measured at cost and subsequently apply on a pro-rate basis from the contractor's periodic progress billings or when the goods are delivered in case of purchases of materials and equipment.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Cost includes property development and construction costs and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences at the time the assets are ready for their intended use. Any impairment loss from the construction project is immediately recognized in profit and loss.

Land is not depreciated. If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Impairment of Non- Financial Assets

At each reporting date, the carrying amount of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss

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

Loans payable

Loans payable account represents borrowed funds from various financial institutions to finance the construction of the hospital building.

Loans payable is classified as current liability unless the Company has an unconditional right to defer settlement of the liability beyond 12 months from the reporting date.

Other Current Liabilities

Other current liabilities include government taxes payable and statutory payables. These are presented in the statement of financial position at undiscounted amounts.

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.

Accumulated Deficits

Accumulated deficits represent accumulated losses incurred by the Company. It includes effect of changes in accounting policy as may be required by the standard's transitional provisions and effect of correction 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.

Revenue is recognized as follows:

Hospital revenue

This represents revenue from primary healthcare services. This is recognized over a period of time because the customer simultaneously consumes the benefit as the performance obligation is satisfied.

Any consideration received that are payable to third parties are accounted as a reduction of the transaction price / hospital revenues. This includes professional fees of doctors received from patients in behalf of the doctors and are subsequently reimbursed to doctors.

Sale of drugs and medicines

Revenue from sale of drugs and medicines is recognized at the point in time when control over the goods is transferred to the customer, generally upon delivery of the goods at the customer's location.

Rental income

Rental revenue arising from operating leases on investment property is accounted for on a straight-line basis over the lease term. Any contingent rental revenue is recognized when it arises.

Other income

Other income which includes income from cafeteria and miscellaneous income is recognized over a period of time because the customer simultaneously consumes the benefit as the performance obligation is satisfied.

Finance income

Finance income comprises 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 in the form of decreases in assets or increase in liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Cost of sales and services

Cost of sales and services are recognized in profit or loss in the period the goods are sold and when services are rendered.

Operating expense

This account includes selling and general & administrative expenses. Selling expenses pertain to cost of marketing and distribution of goods and rendering of services to customers. General & administrative expenses represent expenses such as director's allowance, employees' compensation and other benefits, transportation and travel, meetings and conferences, advertising and promotions, professional fees, taxes and licenses, office supplies, communication light and water, fines and penalties, repairs and maintenance, bank charges, insurance, representation, interest expense, miscellaneous and other expenses attributable to administrative and other business activities of the Company.

Borrowing cost

Borrowing costs include interest and other charges related to borrowing arrangements.
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale,

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

All other borrowing costs are recognized 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.

Earnings (Loss) Per Share

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

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

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 expenses in the period the employees render services to the Company.

Retirement Benefits

The Company does not have a formal retirement benefit plan. However, the Company provides retirement benefits in compliance with RA 7641. No actuarial computation was made because the Company believes that the amount of provision for employee benefits will not materially affect the fair presentation of the financial statements considering that the Company is newly established one and none of the employees qualifies for the five years employment under RA 7641.

Related Parties

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its major shareholders. 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.

Company as Lessor

Leases wherein the Company substantially transfers to the lessee all risks and benefits incidental to ownership of the leased items are classified as finance leases and are presented as receivable at an amount equal to the Company's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Company's net investment outstanding in respect of the finance lease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in the statement of comprehensive income 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 periods(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 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 25.

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 nonfinancial assets was recognized in the Company's financial statements in either 2024, 2023 or 2022.

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.

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 and equipment

The Company estimates the useful lives of its property 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:

Particulars	**Useful Lives**
Office, Furniture and Equipment	3 - 5 years
Medical Equipment	5-10 years
Transportation Equipment	5 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, 2023 will be fully utilized in the coming years. The carrying value of deferred tax assets as of the reporting dates is disclosed in Note 22.

NOTE 6 - CASH

This account consists of:

	2024	2023	2022
Cash on hand	**₱ 1,191,183**	₱ -	₱ 50,000
Cash in banks	**11,794,384**	8,685,227	10,390,293
	₱ 12,985,567	₱ 8,685,227	₱ 10,440,293

Cash in bank are unrestricted and available for the Company's operations. This generally earn interest at bank deposit rates. Interest income earned from cash in banks amounted to ₱6,323, ₱10,857 and ₱121,053 for the years 2024, 2023 and 2022, respectively (Note 19). The interest income deducted on capitalized borrowing cost amounts to ₱6,969 in 2022 (Note 10).

NOTE 7 - TRADE AND OTHER RECEIVABLES

This account consists of:

	2024	2023	2022
Trade receivables	**₱ 144,721,840**	₱ 25,443,892	₱ 17,469,520
Advances to employees	**573,865**	342,265	1,204,249
Others	**220,000**	220,000	220,000
	145,515,705	26,006,157	18,893,769
Allowance for credit losses	**(4,183,610)**	(4,276,073)	(1,509,702)
	₱ 141,332,095	₱ 21,730,084	₱ 17,384,067

Trade receivables pertain to receivables from patients, reimbursements from HMO, PCSO, PSWD, DSWD and PhilHealth availed by the patients.

Advances to employees pertain to advances to employees that are collectible thru salary deduction.

Receivables others pertain to receivables from rental of space for research office and hospital cafeteria.

A reconciliation of the allowance for expected credit losses at the beginning and end of 2024, 2023 and 2022 is shown below:

	2024	2023	2022
Balance at January 1	**₱ 4,276,073**	₱ 1,509,702	₱ -
Credit losses	**-**	2,766,371	1,509,702
Recovery of allowance	**(92,463)**	-	-
Balance, December 31	**₱ 4,183,610**	₱ 4,276,073	₱ 1,509,702

NOTE 8 - INVENTORIES

This account consists of:

	2024	2023	2022
Hospital supplies	**₱ 11,330,190**	₱ 2,804,732	₱ 2,914,872
Pharmacy supplies	**7,636,968**	10,308,432	10,713,234
Laboratory supplies	**4,280,063**	5,878,534	6,109,379
Dietary supplies	**443,333**	266,292	276,749
	₱ 23,690,554	₱ 19,257,990	₱ 20,014,234

Pharmacy, laboratory and hospital supplies pertain to medicines and medical supplies administered/used to patients.

No portion of the inventory was pledged as security for any liability.

NOTE 9 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2024	2023	2022
Prepaid expenses	**₱ 1,000,421**	₱ 1,000,421	₱ 1,000,421
Input tax	**2,808,004**	3,879,005	-
Prepaid supplies	**580,176**	2,960,715	2,250,600
Prepaid income tax (Note 22)	**-**	109,508	23,841
	₱ 4,388,601	₱ 7,949,649	₱ 3,274,862

Prepaid expenses represent advance payment of the Company's insurance, taxes and licenses and other expenses paid in advance which will be expensed in the next accounting period or within 12 months from reporting period.

Prepaid supplies consist of unused housekeeping supplies and linens which are expected to be consumed in the succeeding months.

Prepaid income tax pertains to excess tax credits, which could be applied to tax liability of the company in the future or succeeding period.

NOTE 10 - PROPERTY AND EQUIPMENT - net

A reconciliation in the carrying amounts at the beginning and end of year 2024, 2023 and 2022 of property and equipment is shown below:

2024

	Land	Hospital Building	Transportation Equipment	Subtotal
Costs				
January 1, 2024	₱ 50,273,850	₱ 841,091,264	₱ 2,002,470	₱ 893,367,584
Additions	-	1,600,000	-	1,600,000
Disposal	-	-	-	-
December 31, 2024	50,273,850	842,691,264	2,002,470	894,967,584
Accumulated depreciation				
January 1, 2024	-	25,106,418	467,387	25,573,805
Depreciation	-	17,730,158	200,679	17,930,837
Disposal	-	-	-	-
December 31, 2024	-	42,836,576	668,066	43,504,642
Carrying amount				
December 31, 2024	₱ 50,273,850	₱ 799,854,688	₱ 1,334,404	₱ 851,462,942

Continuation	Subtotal	Medical Equipment	Office Furniture and Equipment	Other Equipment	Total
Costs					
January 1, 2024	₱ 893,367,584	₱ 116,056,032	₱ 15,598,448	₱ 1,279,694	₱ 1,026,301,758
Additions	1,600,000	9,632,091	9,459,489	7,000	20,698,580
Disposal	-	-	-	-	-
December 31, 2024	894,967,584	125,688,123	25,057,937	1,286,694	1,047,000,338
Accumulated depreciation					
January 1, 2024	25,573,805	22,027,907	3,903,043	737,694	52,242,449
Depreciation	17,930,837	14,341,994	4,030,615	277,300	36,580,746
Disposal	-	-	-	-	-
December 31, 2024	43,504,642	36,369,901	7,933,658	1,014,994	88,823,195
Carrying amount					
December 31, 2024	₱ 851,462,942	₱ 89,318,222	₱ 17,124,279	₱ 271,700	₱ 958,177,143

2023

	Land	Hospital Building	Transportation Equipment	Subtotal
Costs				
January 1, 2023	₱ 50,273,850	₱ 828,459,248	₱ 2,002,470	₱ 880,735,568
Additions	-	12,632,016	-	12,632,016
Disposal	-	-	-	-
Reclassification	-	-	-	-
December 31, 2023	50,273,850	841,091,264	2,002,470	893,367,584
Accumulated depreciation				
January 1, 2023	-	12,426,889	266,996	12,693,885
Depreciation	-	12,679,529	200,391	12,879,920
Disposal	-	-	-	-
December 31, 2023	-	25,106,418	467,387	25,573,805
Carrying amount				
December 31, 2023	₱ 50,273,850	₱ 815,984,846	₱ 1,535,083	₱ 867,793,779

Continuation	Subtotal	Medical Equipment	Office Furniture and Equipment	Other Equipment	Total
Costs					
January 1, 2023	₱ 880,735,568	₱ 113,047,189	₱ 15,598,448	₱ 1,279,694	₱ 1,010,660,899
Additions	12,632,016	3,008,843	-	-	15,640,859
Disposal	-	-	-	-	-
Reclassification	-	-	-	-	-
December 31, 2023	893,367,584	116,056,032	15,598,448	1,279,694	1,026,301,758
Accumulated depreciation					
January 1, 2023	12,693,885	12,504,968	2,090,214	375,485	27,664,552
Depreciation	12,879,920	9,522,939	1,812,829	362,209	24,577,897
Disposal	-	-	-	-	-
December 31, 2023	25,573,805	22,027,907	3,903,043	737,694	52,242,449
Carrying amount					
December 31, 2023	₱ 867,793,779	₱ 94,028,125	₱ 11,695,405	₱ 542,000	₱ 974,059,309

2022

	Land	Construcion in Progress	Hospital Building	Transportation Equipment	Subtotal
Costs					
January 1, 2022	₱ 50,273,850	₱ 734,597,972	₱ -	₱ 2,002,470	₱ 786,874,292
Additions	-	76,252,786	17,608,490	-	93,861,276
Disposal	-	-	-	-	-
Reclassification	-	(810,850,758)	810,850,758	-	-
December 31, 2022	50,273,850	-	828,459,248	2,002,470	880,735,568
Accumulated depreciation					
January 1, 2022	-	-	-	66,605	66,605
Depreciation	-	-	12,426,889	200,391	12,627,280
Disposal	-	-	-	-	-
December 31, 2022	-	-	12,426,889	266,996	12,693,885
Carrying amount					
December 31, 2022	₱ 50,273,850	₱ -	₱ 816,032,359	₱ 1,735,474	₱ 868,041,683

Continuation	Subtotal	Medical Equipment	Office Furniture and Equipment	Other Equipment	Total
Costs					
January 1, 2022	₱ 786,874,292	₱ 88,212,815	₱ 13,060,487	₱ 268,940	₱ 888,416,534
Additions	93,861,276	24,834,374	2,537,961	1,010,754	122,244,365
Disposal	-	-	-	-	-
Reclassification	-	-	-	-	-
December 31, 2022	880,735,568	113,047,189	15,598,448	1,279,694	1,010,660,899
Accumulated depreciation					
January 1, 2022	66,605	3,048,524	713,875	13,276	3,842,280
Depreciation	12,627,280	9,456,444	1,376,339	362,209	23,822,272
Disposal	-	-	-	-	-
December 31, 2022	12,693,885	12,504,968	2,090,214	375,485	27,664,552
Carrying amount					
December 31, 2022	₱ 868,041,683	₱ 100,542,221	₱ 13,508,234	₱ 904,209	₱ 982,996,347

Depreciation expenses amounted to ₱36,380,746 for the year 2024, ₱24,577,897 for the year 2023 and ₱23,822,272 for the year 2022. These are presented in the statements of comprehensive income (loss) as follows:

	2024	2023	2022
Cost of sales and services (Note 17)	**₱ 28,526,120**	₱ 19,717,091	₱ 19,397,955
Operating expenses (Note 18)	**8,054,626**	4,860,806	4,424,317
Total	**₱ 36,580,746**	₱ 24,577,897	₱ 23,822,272

The Company bought six (6) parcels of land with a total lot area of 7,051 sq. m. These are situated in Tiniguiban, Puerto Princesa, City of Palawan. These properties were used as a site for the construction of hospital building. The land together with all the buildings and improvements were used as collateral in the Company's bank loan. The carrying value of the land and the buildings and improvements /construction-in-progress used as collateral for the loan amounted to ₱850,128,538, ₱866,258,696 and ₱866,306,209 as at December 31, 2024, 2023 and 2022, respectively (Note 14).

The Company entered into a construction agreement for the construction of multidisciplinary special medical facility (hospital). This was initially presented under Construction in Progress and was reclassified to proper account upon completion. The construction was completed in the 2nd quarter of 2022.

In second quarter of 2022, the Company launched partial operations and construction-in-progress was reclassified to Hospital Building Account amounting to ₱810,850,758.

Capitalized borrowing cost were reduced by the interest income earned from bank deposit where the proceeds from the loan is deposited. This amounted to ₱6,969 for the year ended December 31, 2022.

NOTE 11 - INTANGIBLE ASSET

This account pertains to the hospital information system used by the Company for its operation.

A reconciliation of the carrying amounts at the beginning and end of years 2024 and 2023 is shown below:

		2024		2023
Cost				
Balance, beginning of the year	₱	**1,400,000**	₱	1,400,000
Additions		-		-
Disposal		-		-
Balance, end of the year		**1,400,000**		1,400,000
Accumulated Amortization				
Balance, beginning of the year		**466,667**		186,667
Amortization		**280,000**		280,000
Disposal		-		-
Balance at end of year		**746,667**		466,667
Carrying amount	₱	**653,333**	₱	933,333

No impairment losses were recognized for the years 2024 and 2023. The Company's intangible asset is expected to be amortized over its useful life of five (5) years.

NOTE 12 - TRADE AND OTHER PAYABLES

This account consists of:

	2024	2023	2022
Trade payables	**₱ 64,561,044**	₱ 45,458,447	₱ 34,365,785
Retention payable	**23,885,652**	15,741,294	23,120,328
Accrued interest payable	**5,400,164**	11,484,964	6,042,256
Accrued expenses	**1,595,586**	6,944,804	1,115,044
Other payables	**26,861,387**	-	-
	₱ 122,303,833	₱ 79,629,509	₱ 64,643,413

Trade payable pertain to unpaid balance on the progress billings of contractors, unpaid purchases of medical/hospital equipment and supplies and doctors' professional fee. These are non-interest bearing and has a term of 30 to 60 days.

Retention payable pertains to the amount retain by the Company from the contractor's progress billing as provided in the construction contract, this is payable upon completion of the project and acceptance of the Company of the workmanship of the contractor.

Accrued interest payable represents accrued interests on bank loans and interest-bearing advances from shareholders.

Accrued expenses represents accrual of communication, light and water, professional fees, security services, housekeeping and employee benefits.

NOTE 13 - OTHER CURRENT LIABILITIES

This account consists of:

	2024	2023	2022
Withholding taxes payable	₱ **7,602,883**	₱ 1,164,467	₱ 2,134,084
SSS, PHIC and HDMF Payables	**1,103,099**	1,831,162	617,466
Documentary stamp tax payable	**118,000**	118,000	118,000
VAT payable	**-**	-	224,646
	₱ **8,823,982**	₱ 3,113,629	₱ 3,094,196

NOTE 14 - LOANS PAYABLE

Outstanding balances of the Company's loans payable are summarized as follows:

	2024	2023	2022
Current	₱ **62,500,000**	₱ 31,250,000	₱ 31,250,000
Non-current	**500,000,000**	562,500,000	593,750,000
Total	₱ **562,500,000**	₱ 593,750,000	₱ 625,000,000

Development Bank of the Philippines

The Company entered into a Term Loan Agreement with the Development Bank of the Philippines (DBP) with a total amount of ₱625M which was fully released in 2021.

The loan is payable in twelve (12) years inclusive of a two (2) - year grace period on the principal repayment. The principal is payable in forty (40) quarterly amortizations commencing at the end of the ninth (9^{th}) quarter from the date of initial loan release until fully paid. The interest is based on DBP's prevailing rates on the date of loan release ranging from 5% to 6% per annum with quarterly repricing and is payable quarterly commencing at the end of the 1^{st} quarter after initial loan release.

Under the terms of the agreement, the proceeds of the loan will be used by the Company to finance the construction of an eight (8)- storey Level 2 hospital building with basement parking areas located at National Highway, San Pedro, Puerto Princesa, Palawan, with one hundred twenty (120) – bed capacity. The loan was collateralized by a Real Estate Mortgage (REM) with TCT Nos. 074-2019000871 to 074-2019000876 registered under the name of Allied Care Experts (ACE) Medical Center-Palawan, Inc. The carrying value of the land and the buildings and improvements /construction-in-progress used as collateral for the loan amounted to ₱850,128,538, ₱866,258,696 and ₱866,306,209 as at December 31, 2024, 2023 and 2022, respectively. (Note 10).

The loan agreement with the bank provides certain restrictions and requirements with respect to, among others, maintenance of debt to equity ratio of 75:25 to start after one (1) full year of commercial operations and at any time thereafter during the term of the loan, not permit the current ratio to be less than 1:1 at any time to start after one (1) full year of commercial operations, not to permit the ratio of its net operating income to total debt service to be less than 1.2:1 at any time to start after one (1) full year of commercial operations, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances. As at December 31, 2022, the Company is in compliance with the terms of its loan agreement.

Movement of loans payable is as follows:

	2024	2023	2022
Beginning balance	**₱ 593,750,000**	₱ 625,000,000	₱ 625,000,000
Proceeds	**-**	-	-
Payments	**(31,250,000)**	(31,250,000)	-
Ending balance	**₱ 562,500,000**	₱ 593,750,000	₱ 625,000,000

Total interest and other loan related cost capitalized from these loans (net of interest income) amounted to ₱nil, ₱nil and ₱13,064,470 in 2024, 2023 and 2022, respectively. (Note 10).

Total interest expense recognized in the statements of comprehensive income amounts to ₱43,511,702 in 2024 and ₱37,014,323 in 2023 and ₱18,893,308 in 2022.

NOTE 15 - SHARE CAPITAL

The details of the Company's authorized, issued and outstanding capital as of December 31, 2024, 2023 and 2022 are as follows:

	2024		2023		2022	
	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	**₱219,380,000**	**219,380**	₱218,830,000	218,830	₱218,000,000	206,200
Founder's shares – ₱1,000 par value	**600,000**	**600**	600,000	600	600,000	600
	₱219,980,000	**219,980**	₱219,430,000	219,430	₱218,600,000	206,800
Less: Subscription receivable Common shares - ₱1,000 par value	**-**	**-**	-	-	-	-
Issued and outstanding	**₱219,980,000**	**219,980**	₱219,430,000	219,430	₱218,600,000	218,600

A reconciliation of the outstanding shares at the beginning and end of December 31, 2024, 2023 and 2022 is shown below:

	2024	2023	2022
Outstanding, beginning	**219,430**	218,600	206,800
Issuance	**550**	830	11,800
Reacquisition	**-**	-	-
Outstanding, ending	**219,980**	219,430	218,600

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.

On March 15, 2019, Securities and Exchange Commission (SEC) approved the increase of the Company's authorized capital stock from One Hundred Twenty Million Pesos (₱120,000,000.00) divided into One Hundred Nineteen Thousand Four Hundred (119,400) Common shares and Six Hundred (600) Founder shares, both with a par value of One Thousand Pesos (₱1,000.00) per share to Two Hundred Forty Million Pesos (₱240,000,000) divided into Two Hundred Thirty Nine Thousand Four Hundred (239,400) Common shares and Six Hundred (600) Founders' shares, both with the par value of One Thousand Pesos (₱1,000.00) per share.

As at December 31, 2022, the Company issued through public offering additional Eleven Thousand Eight Hundred (11,800) common shares. The related share premium arising from this sale, amounted to ₱153,964,000. Total share premium paid as at December 31, 2022 amounted to ₱193,164,000.

As at December 31, 2023, the Company issued through public offering additional Eight Hundred Thirty (830) common shares. The related share premium arising from this sale, amounted to ₱20,145,000. Total share premium paid as at December 31, 2023 amounted to ₱213,309,000.

As at December 31, 2024, the Company issued through public offering additional Five Hundred Fifty (550) common shares. The related share premium arising from this sale, amounted to ₱11,125,000. Total share premium paid as at December 31, 2023 amounted to ₱224,434,000.

As at December 31, 2024, the Company has fifty-three (53) shareholders owning one hundred (100) and more shares of the Company's capital stock.

NOTE 16 - REVENUES

Details of the Company's revenue are as follows:

	2024	2023	2022
Hospital revenue	**₱ 285,383,569**	₱ 213,020,341	₱ 149,589,792
Sales of drugs and medicines	**145,158,695**	80,729,585	44,085,287
Discounts	**(49,422,080)**	(20,060,185)	(9,784,287)
	₱ 381,120,184	₱ 273,689,741	₱ 183,890,792

Discounts are extended to senior citizen, PWD and other government mandated entitlement, it also includes discounts to shareholder's, shareholder's spouse and dependents based on the Company prospectus.

NOTE 17 - COST OF SALES AND SERVICES

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

	2024	2023	2022
Direct costs and services	**₱ 204,015,805**	₱ 176,346,035	₱ 147,314,976
Overhead costs	**46,844,958**	26,456,649	26,764,882
	₱ 250,860,763	₱ 202,802,684	₱ 174,079,858

Breakdown of overhead follows:

	2024	2023	2022
Depreciation (Note 10)	₱ 28,526,120	₱ 19,717,091	₱ 19,397,955
Communication, light and water	15,786,081	6,291,451	6,909,241
Equipment rentals (Note 24)	2,532,757	448,107	457,686
	₱ 46,844,958	₱ 26,456,649	26,764,882

NOTE 18 - OPERATING EXPENSES

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

	2024	2023	2022
Employees' compensation and other benefits (Note 20)	₱ 37,060,149	₱ 23,359,338	₱ 13,242,576
Depreciation (Note 10)	8,054,626	4,860,806	4,424,317
Fines and penalties	5,941,691	20,969	-
Taxes and licenses	5,205,230	1,020,240	398,068
Office and other supplies	4,204,847	760,689	2,472,047
Communication, light and water	3,956,407	1,701,204	1,727,310
Advertising and promotions	3,234,770	1,608,400	3,090,978
Security services	2,539,164	1,678,228	2,361,114
Professional fees	1,404,784	584,867	822,869
Repairs and maintenance	1,400,225	115,850	815,416
Trainings and seminars	522,830	-	-
Transportation and travel	480,827	823,230	840,508
Representation	351,623	39,570	290,707
Insurance	323,594	-	800,163
Amortization	280,000	280,000	186,667
Meetings and conferences	173,473	291,229	484,507
Bank charges	100	195	880
Credit losses	-	2,766,371	1,509,702
Service and processing fees	-	1,217,500	797,710
Membership fees	-	-	28,848
Miscellaneous	1,277,452	695,045	511,707
	₱ 76,411,792	₱ 41,823,731	₱ 34,806,094

NOTE 19 - OTHER INCOME

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

	2024	2023	2022
Rental income (Note 24)	₱ 360,000	₱ 560,000	₱ 760,000
Recovery of credit losses	92,463	-	-
Interest income (Note 6)	6,323	10,857	121,053
Miscellaneous income	28,112	1,029,210	143,600
	₱ 486,898	₱ 1,600,067	₱ 1,024,653

NOTE 20 - DEPRECIATION, AMORTIZATION, AND EMPLOYEE BENEFITS

Depreciation, amortization and employee benefits were presented as follows:

2024

	Cost of sales and services	Operating Expense	Total
Depreciation	**₱ 28,526,120**	**₱ 8,054,626**	**₱ 36,580,746**
Amortization	**-**	**280,000**	**280,000**
Employee benefits	**68,736,851**	**21,723,668**	**90,460,519**

2023

	Cost of sales and services	Operating Expense	Total
Depreciation	₱ 19,717,091	₱ 4,860,806	₱ 24,577,897
Amortization	-	280,000	280,000
Employee benefits	73,912,350	23,359,338	97,271,688

2022

	Cost of sales and services	Operating Expense	Total
Depreciation	₱ 19,397,955	₱ 4,424,317	₱ 23,822,272
Amortization	-	186,667	186,667
Employee benefits	54,673,802	13,242,576	67,916,378

NOTE 21 - RELATED PARTY TRANSACTIONS

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

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	70,280,040	₱ 80,560,523		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

2022

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Founders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱ 10,280,483		

Cash Advances

The Company obtains cash advances from its founders to finance the Company's pre-operating expenses, other start up fund requirements and on-going construction of hospital building. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from related parties account in the statements of financial position.

NOTE 22 - INCOME TAXES

Income tax benefit for the years ended December 31 consists of:

	2024	2023	2022
Current	₱ **2,612,951**	₱ 1,087,144	₱ 296,145
Deferred tax expense (income) arising from:			
Temporary differences	**1,576,993**	(2,676,912)	(10,038,992)
	₱ **4,189,944**	₱ (1,589,768)	₱ (9,742,847)

Reconciliation between statutory tax and effective tax follows:

	2024	2023	2022
Income tax at statutory rate	₱ **2,705,707**	₱ (1,587,733)	₱ (10,715,954)
Tax effect income subject to final tax	**(1,581)**	(2,714)	(30,263)
Tax effect of non-deductible interest expense	**395**	679	7,566
Tax effect of non-deductible representation expense	**1,485,423**	-	-
Tax effect of expiration of NOLCO	**-**	-	995,804
Effective income tax	₱ **4,189,944**	₱ (1,589,768)	₱ (9,742,847)

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

	2024	2023	2022
Income (loss) before tax	₱ **10,822,825**	₱ (6,350,929)	₱ (42,863,815)
Permanent Differences:			
Interest income subjected to final tax	**(6,323)**	(10,857)	(121,053)
Interest arbitrage	**1,581**	2,714	30,263
Non-deductible fines and penalties	**5,941,691**	-	-

Temporary differences:			
Credit losses (recovery)	**(92,463)**	2,766,371	1,509,702
Taxable income (loss)	**16,667,311**	(3,592,701)	(41,444,903)
Application of NOLCO	**(16,667,311)**	-	-
Net taxable loss	-	(3,592,701)	(41,444,903)
Tax rate	**25%**	25%	25%
	₱ -	₱ (898,175)	₱ (10,361,226)

Minimum Corporate Income Tax:

	2024	2023	2022
Taxable Gross Income	**₱ 130,647,533**	₱ 72,476,267	₱ 29,614,534
Tax Rate	**2%**	1.5%	1%
	₱ 2,612,951	₱ 1,087,144	₱ 296,145

Analysis of income tax payable (prepaid income tax) follows:

	2024	2023	2022
Tax due (MCIT)	**₱ 2,612,951**	₱ 1,087,144	₱ 296,145
Less: Tax Credits			
Prior year tax credit	**(109,508)**	(23,841)	
Creditable withholding tax	**(1,191,333)**	(1,172,811)	(319,986)
Prepaid income tax (Note 9)	**₱ 1,312,110**	₱ (109,508)	₱ (23,841)

An analysis of DTA follows:

	2024	2023	2022
DTA arising from NOLCO	**₱ 14,635,602**	₱ 18,802,431	₱ 17,904,256
DTA arising from credit losses	**1,045,903**	1,069,018	377,425
DTA arising from MCIT	**3,996,240**	1,383,289	296,145
	₱ 19,677,745	₱ 21,254,738	₱ 18,577,826

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 details of NOLCO which can be claimed as deduction against future taxable income for the next three (3) consecutive years follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance
2023	2026	₱ 3,592,701	₱ -	₱ -	₱ 3,592,701
2022	2025	41,444,903	-	-	41,444,903
		₱45,037,604	₱ -	₱ -	₱45,037,604

Details of NOLCO 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	Date of Expiration	Amount	Applied	Expired	Balance
2021	2026	₱29,000,945	₱(15,496,133)	₱ -	₱13,504,812
2020	2025	1,171,178	(1,171,178)	-	-
		₱30,172,123	₱(16,667,311)	₱ -	₱13,504,812

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

Details of MCIT follow:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance
2024	2027	₱ 2,612,951	₱ -	₱ -	₱ 2,612,951
2023	2026	1,087,144	-	-	1,087,144
2022	2025	296,145	-	-	296,145
		₱ 3,996,240	₱ -	₱ -	₱ 3,996,240

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%).

NOTE 23 - BASIC EARNINGS (LOSS) PER SHARE

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

	2024	2023	2022
Income (loss) attributable to ordinary shares	₱ **6,632,881**	₱ (4,761,161)	₱ (33,120,968)
Divided by: Weighted average number of ordinary shares outstanding	**219,980**	219,430	218,600
Basic earnings (loss) per share	₱ **30.15**	₱ (21.70)	₱ (151.51)

NOTE 24 - LEASE AGREEMENTS

Company as a lessor

In 2021, the Company entered into short term lease agreement with various individual for spaces in the cafeteria. The Company has determined that all significant risks and rewards of ownership of this property remain with the lessor.

Rent income recognized from these leases amounted to ₱360,000, ₱560,000 and ₱760,000 in 2024, 2023 and 2022, respectively. These are presented under other income in the statements of comprehensive income (loss) (Note 19).

Company as a lessee

The Company entered into a lease agreement with Respicare Enterprises Inc. for the use of medical equipment on a per day and monthly basis depending on the need of the hospital.

The Company has elected not to recognize a lease liability for short-term leases with variable payments. Payments made under such leases are expensed on a straight-line basis. Lease payments recognized as Rentals under Cost of Sales and Services in Statements of Comprehensive Income amounted to ₱2,532,757 and ₱448,107 in 2024 and 2023, respectively (Note 17).

NOTE 25 - 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, 2024, 2023 and 2022 based on contractual undiscounted payment.

	December 31, 2024			
	Within 3 months	**1 Year**	**Above 1 Year**	**Total**
Trade and other payables	₱ 98,418,181	₱ 23,885,652	₱ -	₱ 122,303,833
Loans payable	24,411,088	71,507,848	608,835,585	704,754,521
Advances from related parties	-	80,560,523	-	80,560,523
	₱122,829,269	₱ 175,954,023	₱608,835,585	₱ 907,618,877

	December 31, 2023			
	Within 3 months	1 Year	Above 1 Year	Total
Trade and other payables	₱ 63,888,215	₱ 15,741,294	₱ -	₱ 79,629,509
Loans payable	16,982,599	50,229,749	704,754,521	771,966,869
Advances from related parties	-	10,280,483	-	10,280,483
	₱ 80,870,814	₱ 76,251,526	₱704,754,521	₱ 861,876,861

	December 31, 2022			
	Within 3 months	1 Year	Above 1 Year	Total
Trade and other payables	₱ 41,523,085	₱ 23,120,328	₱ -	₱ 64,643,413
Loans payable	11,734,666	51,656,637	766,424,501	829,815,804
Advances from related parties	-	10,280,483	-	10,280,483
	₱ 53,257,751	₱ 85,057,448	₱766,424,501	₱ 904,739,700

Market Risks

Interest Rate Risk

Interest rate risks arises from the possibility that the changes in interest rates will affect the fair value of financial instruments. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The Company's financial instrument that are exposed to cash flow interest rate risk pertains to its bank loan amounting to ₱562.5M, ₱593.75M, and ₱625M as of December 21, 2024, 2023 and 2022, which are subject to interest rate repricing (Note 14).

The effect on income before income tax due to possible changes in interest rates is as follows:

Increase/Decrease in Interest Rate	Effect on Income Before Income Tax		
	2024	2023	2022
+1%	**(5,625,000)**	₱ (5,937,500)	₱ (6,250,000)
-1%	**5,625,000**	5,937,500	6,250,000

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework of the Company. The 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 activities of the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge and obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk.

The Company continuously monitors defaults of officers and contractors, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

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 were made by the counterparties.

The tables below show the credit quality per class of financial asset and an aging analysis of past due but not impaired accounts as at December 31, 2024, 2023 and 2022.

Credit Quality per Class of Financial Asset

	December 31, 2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 11,794,384	₱ –	₱ –	₱ –	₱ –	₱ 11,794,384
Trade and other receivables	106,945,025	22,444,862	–	16,125,818	–	145,515,705
	₱118,739,409	₱ 22,444,862	₱ –	₱ 16,125,818	₱ –	₱ 157,310,089

	December 31, 2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 8,685,227	₱ –	₱ –	₱ –	₱ –	₱ 8,685,227
Trade and other receivables	730,788	3,103,885	–	22,171,484	–	26,006,157
	₱ 9,416,015	₱ 3,103,885	₱ –	₱ 22,171,484	₱ –	₱ 34,691,434

	December 31, 2022					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱ 10,390,293	₱ –	₱ –	₱ –	₱ –	₱ 10,390,293
Receivables	1,424,249	2,348,061	–	15,121,459	–	18,893,769
	₱ 11,814,542	₱ 2,348,061	₱ –	₱ 15,121,459	₱ –	₱ 29,284,062

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.

		2024		2023		2022
Cash	₱	**11,794,384**	₱	8,685,227	₱	10,390,293
Trade and other receivables		**145,515,705**		26,006,157		18,893,769
	₱	**157,310,089**	₱	34,691,384	₱	29,284,062

Cash excludes petty cash fund and cash on hand amounting to ₱1,191,183, ₱nil and ₱50,000 in 2024, 2023 and 2022.

(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 P500.000 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, 2024 and 2023 was determined based on months past due, as follows for trade receivables:

December 31, 2024

	Current	1-30 days	31-60 days	61-90 days	91-120 days	121 days and over	Total
Expected loss rate	2%	5%	7%	10%	30%	100%	
Trade receivables	₱ 1,870,786	₱ 2,161,148	₱ 2,116,787	₱ 2,456,084	₱ 5,538,085	₱ 1,982,928	₱ 16,125,818
Loss allowance	**₱ 37,416**	**₱ 108,057**	**₱ 148,175**	**₱ 245,608**	**₱ 1,661,426**	**₱ 1,982,928**	**₱ 4,183,610**

	December 31, 2023						
	Current	1-30 days	31-60 days	61-90 days	91-120 days	121 days and over	Total
Expected loss rate	2%	5%	7%	10%	15%	100%	
Trade receivables	₱ 3,103,885	₱ 6,373,158	₱ 4,842,258	₱ 5,134,927	₱ 3,268,535	₱ 2,552,606	₱ 25,275,369
Loss allowance	₱ 62,078	₱ 318,658	₱ 338,958	₱ 513,493	₱ 490,280	₱ 2,552,606	₱ 4,276,073

A reconciliation of the closing loss allowance for trade receivables as at December 31, 2024, 2023 and 2022 are presented below:

	2024	2023	2022
Balance at January 1	**₱ 4,276,073**	₱ 1,509,702	₱ -
Credit losses	**-**	2,766,371	1,509,702
Recovery of allowance	**(92,463)**	-	-
Balance, December 31	**₱ 4,183,610**	₱ 4,276,073	₱ 1,509,702

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.

NOTE 26 - CAPITAL MANAGEMENT

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.

	2024	2023	2022
Total current liabilities	**₱ 275,500,448**	₱ 124,273,621	₱ 109,268,092
Total non-current liabilities	**500,000,000**	562,500,000	593,750,000
Total liabilities (a)	**775,500,448**	686,773,621	703,018,092
Total equity (b)	**385,404,590**	367,642,291	350,882,870
Debt-to-equity ratio (a/b)	**2.01:1**	1.87:1	2.00:1

NOTE 27 - 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, 2024, 2023 and 2022:

		2024			
			Fair Value		
	Note	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	₱ 12,985,567	₱ -	₱ 12,985,567	₱ -
Trade and receivables	7	141,332,095	–	141,332,095	–
		₱ 154,317,662	₱ –	₱ 154,317,662	₱ –
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	12	₱ 122,303,833	₱ –	₱ 122,303,833	₱ –
Loans payable	14	562,500,000	–	562,500,000	–
Advances from related parties	21	80,560,523	–	80,560,523	–
		₱ 765,364,356	₱ –	₱ 765,364,356	₱ –

		2023			
			Fair Value		
	Note	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	₱ 8,685,227	₱ -	₱ 8,685,227	₱ -
Trade and receivables	7	21,730,084	–	21,730,084	–
		₱ 30,415,311	₱ –	₱ 30,415,311	₱ –
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	12	₱ 79,629,509	₱ –	₱ 79,629,509	₱ –
Loans payable	14	593,750,000	–	593,750,000	–
Advances from related parties	21	10,280,483	–	10,280,483	–
		₱ 683,659,992	₱ –	₱ 683,659,992	₱ –

		2022			
			Fair Value		
	Note	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	₱ 10,440,293	₱ -	₱ 10,440,293	₱ -
Trade and other receivables	7	17,384,067	–	17,384,067	–
		₱ 27,824,360	₱ -	₱ 27,824,360	₱ –
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Trade and other payables	12	₱ 64,643,413	₱ –	₱ 64,643,413	₱ –
Loans payable	14	625,000,000	–	625,000,000	–
Advances from related parties	21	10,280,483	–	10,280,483	–
		₱699,923,896	₱ –	₱699,923,896	₱ –

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 28 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

2024

	Loans Payable (Note 14)	Interest Payable (Note 12, 14)	Advances from Shareholders (Note 21)	Total
Balance as of January 1, 2024	₱ 593,750,000	₱ 11,484,964	₱ 10,280,483	₱ 615,515,447
Cash flow from Financing Activities:				
Additional Borrowing	-	43,511,702	70,280,040	113,791,742
Repayment of Borrowing	(31,250,000)	(49,596,502)	-	(80,846,502)
Non-cash financing acvities			-	
Conversion to Equity	-	-	-	-
Balance, December 31, 2024	₱ 562,500,000	₱ 5,400,164	₱ 80,560,523	₱ 648,460,687

2023

	Loans Payable (Note 14)	Interest Payable (Note 12, 14)	Advances from Shareholders (Note 21)	Total
Balance as of January 1, 2023	₱ 625,000,000	₱ 6,042,256	₱ 10,280,483	₱ 641,322,739
Cash flow from Financing Activities:				
Additional Borrowing		5,442,708		5,442,708
Repayment of Borrowing	-31,250,000	-	-	-31,250,000
Non-cash financing acvities			-	
Conversion to Equity	-	-	-	-
Balance, December 31, 2023	₱ 593,750,000	₱ 11,484,964	₱ 10,280,483	₱ 615,515,447

2022

	Loans Payable (Note 14)	Interest Payable (Note 12, 14)	Advances from Shareholders (Note 21)	Total
Balance as of January 1, 2022	₱ 625,000,000	₱ 7,517,486	₱ 54,798,338	₱ 687,315,824
Cash flow from Financing Activities:				
Additional Borrowing	-	31,964,747	10,280,483	42,245,230
Repayment of Borrowing	-	(33,439,977)	(54,798,338)	(88,238,315)
Non-cash financing acvities				
Conversion to Equity	-	-		-
Balance, December 31, 2022	₱ 625,000,000	₱ 6,042,256	₱ 10,280,483	₱ 641,322,739

NOTE 29 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulation (RR) No. 15-2010 and 34-2020 to disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented below and in the succeeding pages.

(a) Output VAT

		Tax Base		Amount
VATable sales	₱	90,175,464	₱	10,821,056
Exempt sales		310,286,611		-
	₱	400,462,075	₱	10,821,056

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

(b) Input VAT

		Purchases		Input VAT
Balance at beginning of year	₱		₱	888,577
Goods other than capitals goods		84,770,975		10,172,517
Capital goods subject to amortization		-		
Services lodged under other accounts		-		
Total available input VAT				11,061,094
Allocable to exempt sales				(182,423)
Applied against output VAT				(10,821,056)
			₱	57,615

(a) Taxes and Licenses for 2024

Taxes and licenses for 2024 consist of:

		Amount
Real property tax	₱	2,707,237
Licenses and business permits		2,431,078
Others		66,915
	₱	5,205,230

The amounts of taxes and licenses shown above are included under the general and administrative expenses in the statements of comprehensive income (loss).

(b) Withholding Taxes for 2024

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

		Amount
Compensation and employee benefits	₱	609,013
Expanded		8,633,027
	₱	9,242,040

(c) Tax Assessments and Cases

The Company has no pending examination with the Bureau of Internal Revenue as of reporting period.

(d) 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) MEDICAL CENTER-PALAWAN, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024, 2023 and 2022

Current Ratio

	2024	2023	2022
Total current assets	₱ 182,396,817	₱ 57,622,950	₱ 51,113,456
Total current liabilities	275,500,448	124,273,621	109,268,092
Current ratio	0.662:1	0.464:1	0.468:1

Quick Ratio

	2024	2023	2022
Total liquid asset	₱ 154,317,662	₱ 30,415,311	₱ 27,824,360
Total current liabilities	275,500,448	124,273,621	109,268,092
Quick ratio	0.56:1	0.245:1	0.255:1

Working Capital to Total Asset

	2024	2023	2022
Working capital	₱ (93,103,631)	₱ (66,650,671)	₱ (58,154,636)
Total assets	1,160,905,038	1,053,870,330	1,053,900,962
Working capital ratio	-0.08:1	-0.063:1	-0.055:1

Solvency Ratio

	2024	2023	2022
Net income (loss) after tax + Depreciation	₱ 50,144,583	₱ 19,816,736	₱ (9,298,696)
Total liabilities	775,500,448	686,773,621	703,018,092
Solvency ratio	0.065:1	0.029:1	-0.013:1

Debt-to-equity Ratio

	2024	2023	2022
Total liabilities	₱ 775,500,448	₱ 686,773,621	₱ 703,018,092
Total equity	385,404,590	367,096,709	350,882,870
Debt-to-equity ratio	2.012:1	1.871:1	2.004:1

Asset-to-equity Ratio

	2024	2023	2022
Total assets	₱ 1,160,905,038	₱ 1,053,870,330	₱ 1,053,900,962
Total equity	385,404,590	367,096,709	350,882,870
Asset to equity ratio	3.012:1	2.871:1	3.004:1

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024, 2023 and 2022

Interest Rate Coverage Ratio

	2024	2023	2022
Pre-tax profit (loss) before interest	₱ 54,334,527	₱ 30,663,394	₱ (23,970,507)
Interest	43,511,702	37,014,323	18,893,308
Interest rate ratio	1.249:1	0.828:1	-1.269:1

Profitability Ratios

	2024	2023	2022
Net profit (loss) after tax	₱ 6,632,881	₱ (4,761,161)	₱ (33,120,968)
Total equity	385,404,590	367,096,709	350,882,870
	0.017:1	-0.013:1	-0.094:1

a.) Return on asset ratio

	2024	2023	2022
Net income (loss) after tax	₱ 6,632,881	₱ (4,761,161)	₱ (33,120,968)
Average assets	1,107,387,684	1,053,885,646	1,026,023,433
	0.006:1	-0.005:1	-0.032:1

b.) Return on equity ratio

	2024	2023	2022
Net profit (loss) after tax	₱ 6,632,881	₱ (4,761,161)	₱ (33,120,968)
Average equity	376,250,649	358,989,789	284,561,354
	0.018:1	-0.013:1	-0.116:1

c.) Gross Profit Margin Ratio

	2024	2023	2022
Net profit (loss) before tax	₱ 10,822,825	₱ (6,350,929)	₱ (42,863,815)
Gross profit (loss)	130,259,421	70,887,057	28,710,934
	0.083:1	-0.09:1	-1.493:1

d.) Net Profit Margin

	2024	2023	2022
Net profit (loss) after tax	₱ 6,632,881	₱ (4,761,161)	₱ (33,120,968)
Revenue	381,120,184	273,689,741	183,890,792
	0.017:1	-0.017:1	-0.18:1

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
Metropolitan Bank and Trust Company	P 6,245,833	P 6,245,833	P -
Development Bank of the Philippines	4,133,208	4,133,208	5,940
Bank of Philippine Islands	1,094,441	1,094,441	383
Landbank of the Philippines	320,902	320,902	
	P 11,794,384	**P 11,794,384**	**P 6,323**

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
Alcanzare, Eva	P 10,092	-	-	-	-	-	P 10,092
Andes, Romina	220	-	-	-	-	-	220
Bacay, Greycell	4,200	-	-	-	-	-	4,200
Calvo, Redjan	1,072	-	-	-	-	-	1,072
Catigbe, Bianca	3,186	-	-	-	-	-	3,186
Lobaton, Hannah Joy	4,405	-	-	-	-	-	4,405
Marañon, Jeddah	152	-	-	-	-	-	152
Millave, King Erick	2,316	-	-	-	-	-	2,316
Miñano, Dian Lou	8,030	-	-	-	-	-	8,030
Mohamad, Joel	4,000	-	-	-	-	-	4,000
Pacaigue, Katherine	14,041	-	-	-	-	-	14,041
Palay, Arlene	22,395	-	-	-	-	-	22,395
Patacsil, Ed Angela	7,821	-	-	-	-	-	7,821
Servando, Rizza	4,186	-	-	-	-	-	4,186
	P 86,116	-	-	-	-	-	P 86,116

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
NA	NA	NA	NA	NA	NA	NA

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)
Promissory Note/ Bank loan payable in single sum.	P562,500,000	P-	P562,500,000 5.5% - 6% interest, 40 quarterly installments, November 4, 2031

Schedule F. Indebtedness to Related Parties (Current)

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
Various Shareholder	P10,280,483	P 80,560,523

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	-	-	230	-
Common	239,400	219,380	-	-	77,970	-
Preferred	-	-	-	-	-	-
Total	240,000	219,980	-	-	78,200	-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2024

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.
Jomari Bldg., B. 2nd Flr, Malvar St., Puerto Prinsesa City, Palawan

Unappropriated Retained Earnings, beginning of reporting period		**(₱65,642,291)**
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		**(65,642,291)**
Add/Less: Net Income (Loss) for the current year		**6,632,881**
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 Standards	-	
• 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, 2024

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC.
Jomari Bldg., B. 2nd Flr, Malvar St., Puerto Prinsesa City, Palawan

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	-	
• 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)		**6,632,881**
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		**nil**