

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

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

2. SEC Identification Number ...

3. BIR Tax Identification No.

**CS 201702182**

**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

**South National Highway, Bgy. San Pedro, Puerto Princesa City, Palawan 5300**

8. **(048) 717-000-19**

Issuer's telephone number, including area code

9. **Jomari Bldg., 2<sup>ND</sup> 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**

**220,430 Shares/ Php 725,518,413**

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  ]

No [ ]

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

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

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

Yes  ]

No [ ]

**PART I - BUSINESS AND GENERAL INFORMATION**

**Item 1. Business**

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 11<sup>th</sup> 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 hospital is now on its 3<sup>rd</sup> year of operation.

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 following are the suppliers of the Company:

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

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

<b>2025</b>					
<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (current transaction)</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
<b>Founders</b>	<b>Payments</b>	-		<b>Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms</b>	<b>Unsecured</b>
	<b>Advances</b>	<b>22,294,492</b>	<b>₱102,855,015</b>		
<b>2024</b>					
<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (current transaction)</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
<b>Founders</b>	<b>Payments</b>	-		<b>Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms</b>	<b>Unsecured</b>
	<b>Advances</b>	<b>70,280,040</b>	<b>₱80,560,523</b>		
<b>2023</b>					
<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (current transaction)</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>

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		

#### Cash Advances

The Company obtained advances from certain shareholders to help finance the construction of the hospital building and related facilities. These advances are non-interest bearing, unsecured, and payable upon demand, unless otherwise agreed by the parties. The advances may also be applied against future subscription to the Company's capital stock, subject to the approval of the Company's Board of Directors and compliance with applicable regulatory requirements. Advances from shareholders are presented under current liabilities in the statements of financial position.

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 2023.

1. Mayor's Permit- BP-2026- 01762-0
2. Department of Labor- Certificate of Registration- R17-315-142419038640
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, 2025):

	CBA	Non-CBA	Total
Rank and File	375	0	375
Supervisors	20	1	21
Managers and Top Management	22	0	22
Total	417	1	418

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	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Substitute Products and services in the form of specialty clinics are gaining ground and competing with big hospitals in specific fields.</li> </ul>
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	COST
Hi- ACE Commuter De Luxe 2.8DSL	Operations	Php 2,086,670

#### c.) Office Furniture and Equipment

DESCRIPTION	CURRENT AND INTENDED USE	COST
Office Furniture, Fixtures, and Equipment	Operations	Php 26,474,782

#### d.) Medical Equipment

DESCRIPTION	CURRENT AND INTENDED USE	COST
Various Medical Equipment	Operations	PHP 135,560,242

## 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	2024	2025	2024	2025	2024	2025	2024	2025	2026
High	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Low	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

The price as of December 31, 2025 is PHP 250,000.00.

#### (2) Holders

There are approximately 787 holders of common shares and 56 holders of founder shares of the Company as of 31 December 2025.

#### Top 20 Stockholders (As of 31 December 2025)

STOCKHOLDER	NATIONALITY	NUMBER OF SHARES	PERCENT OF OWNERSHIP
1. Enriquez, Amado Manuel C., Jr	Filipino	16,950	9.27%
2. Enriquez, Michael Edward R.	Filipino	13,600	6.18%
3. Enriquez, Miguel Antonio R.	Filipino	13,600	6.18%
4. Lopez, Geanie Cerna	Filipino	6,800	3.09%
5. Samoy, Marietta T.	Filipino	6,800	3.09%
6. Tovera, Joseph M.	Filipino	3,400	1.55%
7. Palanca, Lumen R.	Filipino	3,400	1.55%
8. Pablico, Shereil Delos Santos	Filipino	3,400	1.55%
9. Vicente, Ivan Michael G.	Filipino	3,400	1.55%
10. Carlos, Fernando P.	Filipino	3,400	1.55%
11. Calors, Julieta B.	Filipino	3,400	1.55%
12. Recidoro, Hazel Marie C.	Filipino	3,400	1.55%
13. Andal, April Rheiboy C.	Filipino	3,400	1.55%
14. Felizarte, Lorna B.	Filipino	3,400	1.55%
15. Funelas, Evelyn D.	Filipino	3,400	1.55%
16. Miguel, Editha C.	Filipino	3,400	1.55%
17. Portales, Janice Dale T.	Filipino	3,400	1.55%
18. Dalingding, Frederick	Filipino	3,400	1.55%
19. Enriquez, Marilyn R.	Filipino	3,400	1.55%
20. Cu, Dorothy Mildred S.	Filipino	3,400	1.55%
<b>Total</b>		<b>108,750</b>	<b>51.06%</b>

#### (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, 2025, 2024, and 2023:

	As of December 31		
	2025	2024	2023
<b>Income Statement Data</b>			
<b>Revenue</b>	P 518,370,960	P 381,120,184	P 273,689,741
<b>Other Income</b>	1,982,693	486,898	1,600,067
<b>Cost of Sales and Services</b>	(337,591,799)	(250,860,763)	(202,802,684)
<b>Operating expenses</b>	(118,239,952)	(76,411,792)	(41,823,730)
<b>Finance cost</b>	(45,462,742)	(43,511,702)	(37,014,323)
<b>Operating Income (Loss)</b>	19,059,160	10,822,825	(6,350,929)
<b>Income tax benefit (expense)</b>	(4,767,233)	(4,189,944)	1,589,768
<b>Net Income (Loss)</b>	14,291,927	6,632,881	(4,761,161)

#### Revenue

The revenue in 2025 is higher by 36.01% from the 2024 revenue of ₱381.120M, 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 2025 is higher by 34.57% than in 2024. 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 2025 increased by 307.21% as compared with the year 2024. This is primarily due to higher miscellaneous income in relation to the operation of the hospital.

#### Operating expenses

Expenses in 2025 are higher by 54.74% compared to 2024. 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 4.48% for the year ended December 31, 2025 compared to December 31, 2024. 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 ₱4.77M in 2025 due to increase of revenue during the year.

#### Income for the year

The hospital recognized net income in 2025, 115.47% higher compared in 2024. This was primarily due to increased revenue.

#### Financial Condition

Total assets decreased from ₱1.160B to ₱1.134B. The decreased was caused by the significant decrease in trade and other receivables and inventories.

Cash increased by ₱38.5M 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 decrease in trade and other receivables by ₱43.2M was primarily due to Company's collection from PhilHealth, collections from patients and reimbursements from HMO and DSWD.

The decrease in inventories by ₱3.4M pertains mainly to the utilization/sale of hospital supplies.

Prepayments and other current assets increased by ₱7.3M. This is primarily due to lower claimed in input taxes in 2025.

Property and equipment decreased by ₱23.7M. 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 ₱1.112M due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.

Total liabilities decreased by ₱49.982M. The decrease was primarily due to the settlement of outstanding obligations.

Trade and other payables decreased by ₱4.164M. This decrease was mainly due to lower purchases from suppliers of goods and services, settlement of payables for doctors' professional fees, and a decrease in retention payables

The increase of ₱22.2M in advances from shareholders was due to additional advances in 2024.

The increase 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 2025.

#### KEY PERFORMANCE INDICATORS

	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023
Liquidity Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + receivables) / current liabilities]	0.520:1	0.560:1	0.245:1

Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.630:1	0.662:1	0.464:1
2. Solvency Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	1.772:1	2.012:1	1.871:1
3. Profitability Net profit margin - ability to generate surplus for stockholder (net income / sales)	0.028:1	0.017 :1	(0.017) :1
Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	0.018:1	0.018:1	(0.013):1
4. Leverage Debt to total asset ratio - the proportion of total assets financed by creditors. (total liabilities / total assets)	0.639:1	0.668:1	0.652:1
Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	2.772:1	3.012:1	2.871:1
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.	1.419:1	1.249:1	0.828:1

**DECEMBER 31, 2025 COMPARED TO DECEMBER 31, 2024**

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2025	31-Dec-2024	Inc (Dec)	%age	31-Dec-2025	31-Dec-2024
Revenues	₱ 518,370,960	₱ 381,120,184	₱ 137,250,776	36.01%	100%	100%
Cost of sales and services	(337,591,799)	(250,860,763)	(86,731,036)	34.57%	-65%	-66%
Other income	1,982,693	486,898	1,495,795	307.21%	0%	0%
Operating expenses	(118,239,952)	(76,411,792)	(41,828,160)	54.74%	-23%	-20%
Finance costs	(45,462,742)	(43,511,702)	1,951,040	4.48%	-9%	-11%
Income tax (expense) benefit	(4,767,233)	(4,189,944)	(577,289)	13.78%	-1%	-1%
<b>Net loss</b>	<b>₱ 14,291,927</b>	<b>₱ 6,632,881</b>	<b>₱ 7,659,046</b>	<b>115.47%</b>	<b>3%</b>	<b>2%</b>

The revenue in 2025 is higher by 36.01% from the 2024 revenue of ₱137.25M, 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 2025 is higher by 34.57% than in 2024. This is primarily due to increase in the majority of the expenses relative to the increase in revenue.

Other income for the year 2025 increased by 307.21% as compared with the year 2024. This is primarily due to higher miscellaneous income in relation to the operation of the hospital.

Expenses in 2025 are higher by 54.74% compared to 2024. This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.

Finance costs increased by 4.48% for the year ended December 31, 2025 compared to December 31, 2024. 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 ₱4.77M in 2025 due to increase of revenue during the year.

The hospital recognized net income in 2025, 115.47% higher compared in 2024. This was primarily due to increased revenue.

## Financial Condition

	31-Dec-2025	31-Dec-2024	Horizontal Analysis		Vertical Analysis		
			Inc(Dec)	%age	31-Dec-2025	31-Dec-2024	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	₱ 51,519,156	₱ 12,985,567	₱ 38,533,589	297%	5%	1%	
Trade and other receivables	98,128,202	141,332,095	(43,203,893)	-31%	9%	12%	
Inventories	20,259,500	23,690,554	(3,431,054)	-14%	2%	2%	
Prepayments and other current as	11,654,672	4,388,601	7,266,071	166%	1%	0%	
<b>Total Current Assets</b>	<b>181,561,530</b>	<b>182,396,817</b>	<b>(835,287)</b>	<b>0%</b>	<b>16%</b>	<b>16%</b>	
<b>Non-current Assets</b>							
Property and equipment	934,441,366	958,177,143	(23,735,777)	-2%	82%	83%	
Intangible asset	373,333	653,333	(280,000)	-43%	0%	0%	
Deferred tax asset	18,565,307	19,677,745	(1,112,438)	-6%	2%	2%	
<b>Total Non-Current Assets</b>	<b>953,380,006</b>	<b>978,508,221</b>	<b>(25,128,215)</b>	<b>-3%</b>	<b>84%</b>	<b>84%</b>	
<b>Total Assets</b>	<b>₱ 1,134,941,536</b>	<b>₱ 1,160,905,038</b>	<b>(25,963,502)</b>	<b>-2%</b>	<b>100%</b>	<b>100%</b>	
<b>LIABILITIES AND EQUITY</b>							
<b>Current Liabilities</b>							
Trade and other payables	₱ 118,139,791	₱ 122,303,833	(4,164,042)	-3%	10%	11%	
Advances from related parties	102,855,015	80,560,523	22,294,492	28%	9%	7%	
Loans payable - current	62,500,000	62,500,000	-	0%	6%	5%	
Income tax payable	1,518,411	1,312,110	206,301	16%	0%	0%	
Other current liabilities	3,005,196	8,823,982	(5,818,786)	-66%	0%	1%	
<b>Total Current Liabilities</b>	<b>288,018,413</b>	<b>275,500,448</b>	<b>12,517,965</b>	<b>5%</b>	<b>25%</b>	<b>24%</b>	
<b>Non-Current Liabilities</b>							
Loans payable - non current	437,500,000	500,000,000	(62,500,000)	-13%	39%	43%	
<b>Total Liabilities</b>	<b>725,518,413</b>	<b>775,500,448</b>	<b>(49,982,035)</b>	<b>-6%</b>	<b>64%</b>	<b>67%</b>	
<b>Equity</b>							
Share capital	220,430,000	219,980,000	450,000	0%	19%	19%	
Share premium	233,710,606	224,434,000	9,276,606	4%	21%	19%	
Accumulated deficits	(44,717,483)	(59,009,410)	14,291,927	-24%	-4%	-5%	
<b>Equity, Net</b>	<b>409,423,123</b>	<b>385,404,590</b>	<b>24,018,533</b>	<b>6%</b>	<b>36%</b>	<b>33%</b>	
<b>Total Liabilities and Equity</b>	<b>₱ 1,134,941,536</b>	<b>₱ 1,160,905,038</b>	<b>(25,963,502)</b>	<b>-2%</b>	<b>100%</b>	<b>100%</b>	

Total assets increased from ₱1.160B to ₱1.134B. The decrease was caused by the significant decrease in trade and other receivables and inventories.

Cash increased by ₱38.5M 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 decrease in trade and other receivables by ₱43.20M was primarily due to Company's collection from PhilHealth, collections from patients and reimbursements from HMO and DSWD.

The decrease in inventories by ₱3.43M pertains mainly to the utilization of hospital supplies.

Prepayments and other current assets increased by ₱7.3M. This is primarily due to lower claimed in input taxes in 2025.

Property and equipment decreased by ₱23.74M. 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 ₱1.11M due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.

Total liabilities decreased by ₱49.982M. The decrease was primarily due to the settlement of outstanding obligations.

Trade and other payables decreased by ₱4.164M. This decrease was mainly due to lower purchases from suppliers of goods and services, settlement of payables for doctors' professional fees, and a decrease in retention payables

Loans payables decreased by ₱62.5M representing the payments made during the year.

The increase of ₱22.29M 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 2025.

## 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%
<b>Net income (loss)</b>	<b>₱ 6,632,881</b>	<b>₱ (4,761,161)</b>	<b>₱ 11,394,042</b>	<b>-239.31%</b>	<b>2%</b>	<b>-2%</b>

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

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 increased 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.

## 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%
<b>Net income (loss)</b>	<b>₱ (4,761,161)</b>	<b>₱ (33,120,968)</b>	<b>₱ (28,359,807)</b>	<b>85.62%</b>	<b>-2%</b>	<b>-18%</b>

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

	31-Dec-2023		31-Dec-2022		Horizontal Analysis		Vertical Analysis		
					Inc(Dec)	%age	31-Dec-2023	31-Dec-2022	
<b>ASSETS</b>									
<b>Current Assets</b>									
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%
<b>Total Current Assets</b>		<b>57,622,950</b>		<b>51,113,456</b>		<b>6,509,494</b>	<b>13%</b>	<b>5%</b>	<b>5%</b>
<b>Non-current Assets</b>									
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%
<b>Total Non-Current Assets</b>		<b>996,247,380</b>		<b>1,002,787,506</b>		<b>(6,540,126)</b>	<b>-1%</b>	<b>95%</b>	<b>95%</b>
<b>Total Assets</b>	₱	<b>1,053,870,330</b>	₱	<b>1,053,900,962</b>	₱	<b>(30,632)</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>									
<b>Current Liabilities</b>									
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%
<b>Total Current Liabilities</b>		<b>124,273,621</b>		<b>109,268,092</b>		<b>15,005,529</b>	<b>14%</b>	<b>18%</b>	<b>16%</b>
<b>Non-Current Liabilities</b>									
Loans payable - non current		562,500,000		593,750,000		(31,250,000)	-5%	82%	84%
<b>Total Liabilities</b>		<b>686,773,621</b>		<b>703,018,092</b>		<b>(16,244,471)</b>	<b>-2%</b>	<b>100%</b>	<b>100%</b>
<b>Equity</b>									
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%
<b>Equity, Net</b>		<b>367,096,709</b>		<b>350,882,870</b>		<b>16,213,839</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>
<b>Total Liabilities and Equity</b>	₱	<b>1,053,870,330</b>	₱	<b>1,053,900,962</b>	₱	<b>(30,632)</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>

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.

*Material Changes in Financial Condition*

<b><i>From January 1, 2025 to December 31, 2025</i></b>	<b><i>From January 1, 2024 to December 31, 2024</i></b>	<b><i>From January 1, 2023 to December 31, 2023</i></b>
<p><b>a. Cash increased by ₱38.53M</b> 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 payment of loans payable.</p>	<p><b>a. Cash increased by ₱4.3M</b> 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.</p>	<p><b>a. Cash decreased by ₱1.76M</b> Primarily due to the expenditures of period, this was partly negated by and collection from operations and proceeds from advances and issuance of shares.</p>
<p><b>b. Trade and other receivables decreased by ₱43.20M</b> 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.</p>	<p><b>b. Trade and other receivables increased by ₱119.6M</b> 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.</p>	<p><b>b. Trade and other receivables increased by ₱4.3M</b> 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 full operation in January 2023</p>
<p><b>c. Inventories decreased by ₱3.43M</b></p>	<p><b>c. Inventories increased by ₱4.4M</b></p>	<p><b>c. Inventories decreased by ₱756.2T</b></p>

pertains mainly to the utilization of hospital supplies.	pertains mainly to the purchased in hospital supplies.	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.
<b>d. Prepayment and other current assets increased by ₱7.26M</b>	<b>d. Prepayment and other current assets decreased by ₱3.56M</b>	<b>d. Prepayment and other current assets increased by ₱4.67M</b>
primarily due to lower claimed in input taxes in 2025.	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.
<b>e. Property and equipment decreased by ₱23.74M</b> 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.	<b>e. Property and equipment decreased by ₱15.88M</b> 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.	<b>e. Property and equipment decreased by ₱8.9M</b> 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.

<b>f. Intangible assets decreased by ₱280K</b> The decrease pertains to amortization of hospital information system of the hospital.	<b>f. Intangible assets decreased by ₱280K</b> The decrease pertains to amortization of hospital information system of the hospital.	<b>f. Intangible assets decreased by ₱280K</b> The decrease pertains to amortization of hospital information system of the hospital..
<b>g. Deferred tax asset decreased by ₱1.112M</b> due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.	<b>g. Deferred tax asset decreased by ₱1.576M</b> due to the application of NOLCO partly negated by the recognition of DTA from MCIT for the period.	<b>g. Deferred tax asset increased by ₱2.7M</b> The increase was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2023.
<b>h. Trade and other payables decreased by ₱4.164M</b>	<b>h. Trade and other payables increased by ₱42.67M</b>	<b>h. Trade and other payables increased by ₱42.67M</b>

This decrease was mainly due to lower purchases from suppliers of goods and services, settlement of payables for doctors' professional fees, and a decrease in retention payables	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.	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.
<b>i. Advances from related parties increase of ₱22.294M</b>	<b>i. Advances from related parties increase of ₱70.28M</b>	<b>i. Advances from related parties</b>
primarily due to additional advances in 2025.	primarily due to additional advances in 2024.	Advances from related parties has no movement from beginning of 2022 to end of 2023.
<b>k. Equity increased by ₱24.019M</b>	<b>k. Equity increased by ₱18.3M</b>	<b>k. Equity increased by ₱16.21M</b>
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 2025.	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

*Material Changes in Operations*

<b>2025 vs. 2024</b>	<b>2024 vs. 2023</b>	<b>2023 vs. 2022</b>
<p><b>a. Revenue increased by 36.01%</b></p> <p>This was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.</p>	<p><b>a. Revenue increased by 39.25%</b></p> <p>This was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.</p>	<p><b>a. Revenue increased by 49%</b></p> <p>Its full operation commenced in January 2023 which causes significant increase in Revenue in 2023.</p>
<p><b>a. Cost of sales and services increased by 34.6%</b></p>	<p><b>a. Cost of sales and services increased by 23.7%</b></p>	<p><b>a. Cost of sales and services increased by 16.50%</b></p>

<p>This is primarily due to increase in the majority of the expenses relative to the increase in revenue.</p>	<p>This is primarily due to increase in the majority of the expenses relative to the increase in revenue.</p>	<p>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.</p>
<p><b>c. Operating expenses increased by 54.7%</b> This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.</p>	<p><b>c. Operating expenses increased by 82.7%</b> This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.</p>	<p><b>c. Operating expenses increased by 20%</b> This was primarily due to significant increase in expenses such as taxes and licenses, credit losses, service processing fees, depreciation and miscellaneous expense.</p>
<p><b>d. Other income increased by 307.21%</b> This is primarily due to higher miscellaneous income in relation to the operation of the hospital.</p>	<p><b>d. Other income decreased by 69.57%</b> This is primarily due to lower miscellaneous income in relation to the operation of the hospital.</p>	<p><b>d. Other income increased by 56%</b> This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.</p>
<p><b>e. Finance costs increased by 4.48%</b> 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.</p>	<p><b>e. Finance costs increased by 17.55%</b> 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.</p>	<p><b>e. Finance costs increased by 96%</b> 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.</p>
<p><b>f. Income tax expense increased by 13.78%</b> Income tax expense amounts to ₱4.77M in 2025 due to increase of revenue during the year.</p>	<p><b>f. Income tax expense increased by 363.56%</b> Income tax expense amounts to ₱4.19M in 2024 due to increase of revenue during the year.</p>	<p><b>f. Income tax benefit increased by 84%</b> This was primarily due to lower expenses in 2023 resulting to lower taxable loss.</p>
<p><b>f. Income tax expense increased by 13.78%</b> Income tax expense amounts to ₱4.77M in 2025 due to increase of revenue during the year.</p>	<p><b>f. Income tax expense increased by 363.56%</b> The hospital recognized net income in 2024, higher compared in 2023. This was primarily due to increase revenue.</p>	<p><b>f. Income tax benefit increased by 84%</b> Primarily due to the significant decrease of expenses as the Company.</p>

## **Other Matters**

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

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

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

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

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

The Company commenced its business operations last January 19, 2022 and is now on its third year of operation.

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

## *Financial Risks*

- a. Interest Rate Risk – The Company's interest rate risk is limited to its cash in banks and loans payable.
- b. Credit Risk – The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedures in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on receivables is minimal since no default in payments was made by the counterparties.
- c. Liquidity Risk – As part of the Company's overall liquidity management, the Company maintains a level of cash deemed sufficient to finance the construction of the hospital building and pre-operating expenses, and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any

The Company has no investments in foreign securities.

## **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. April Rheiboy C. Andal- Independent Director / (Chairman), Dr. Geanie A. Cerna-Lopez[Member], and Dr. Hazel Marie C. Recidoro[Independent Director/Member] , subject to stockholders' approval, for re-appointment as the Company's external auditor for the fiscal year 2025, 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 2025. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged 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 2025 - P152,400.00 (billed and paid in 2026)
  - 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, three (3) of whom are independent directors. The term of office of each member is one (1) year; they are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. A director who is elected to fill any vacancy holds office only for the unexpired term of his predecessor. The following are the current members of the Board of Directors:

Name	Business and/or Professional Work Experience Within the Past 5 Years
<p>Enriquez, Amado Manuel Jr. C.  73 y/o, Filipino</p>	<p>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.</p>
<p>Julieta P. Carlos 62 y/o- Filipino</p>	<p>Philippine Obstetric and Gynecology Philippine Medical Society Makati Medical Society Founder Director: ACE Group of Hospitals Board of Directors (BOD):</p> <ul style="list-style-type: none"> <li>• ACE Tacloban</li> <li>• ACE Legazpi</li> <li>• ACE Quezon City (also serves as Purchasing Head)</li> <li>• ACE Pateros (also serves as Pharmacy and Purchasing Head)</li> </ul>
<p>Carlos, Fernando P. 64 y/o- Filipino</p>	<p>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</p>
<p>Cerna- Lopez, Geanie C. 72 y/o - Filipino</p>	<p>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) Past President Parañaque Doctors Hospital ( 2015) Hospital Affiliations:</p> <ul style="list-style-type: none"> <li>• ACE Hospitals</li> <li>• Parañaque Doctor' Hospital</li> <li>• Unihealth Parañaque Hospital and Medical Centre</li> <li>• Las Piñas City Medical Centre</li> <li>• Asian Hospital and Medical Centre</li> </ul>

<p>Recidoro , Hazel Marie C. 46 y/o, Filipino</p>	<p>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 Quezon City ACEMC- Pateros Chef Finance Officer, Hospital Admin.</p>
<p>Felizarte, Lorna B. 68 y/o, Filipino</p>	<p>Owner/Manager, Boglosa's Birthing Home, Puerto Princesa City Consultant – MMG Cooperative Hospital, Puerto Princesa City Consultant – Adventist Hospital, Palawan Consultant – Ospital ng Palawan Member, Ethics Committee MMG Cooperative Hospital Palawan</p>
<p>Enriquez, Michael Edward R. 43 y/o Filipino</p>	<p>Hospital Administrator ACE Medical Center Valenzuela Vice President ACE Medical Center QC Vice President ACE Medical Center Pateros</p>
<p>Portales, Janice Dale Tadeo 48 y/o, Filipino</p>	<p>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 ( PMMGMP- Palawan) Vice President- Palawan Medical Society 2022-2023 Asst. Treasurer of Community Pediatric Society</p>
<p>Tovera, Joseph M. 49 y/o, Filipino</p>	<p>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)</p>

<p>April Rheiboy C. Andal 48 y/o Filipino</p>	<p>Community Pediatrics Society of the Philippines, Palawan Chapter Allied Care Experts Medical Center (ACE MC) Hospital, Palawan Blood Transfusion Committee, MMG-PPC Cooperative Hospital Research Committee, Medical Staff Organization, MMG-PPC Cooperative Hospital Visiting Pediatric Consultant</p> <ul style="list-style-type: none"> <li>• MMG-PPC Cooperative Hospital</li> <li>• Palawan Adventist Hospital</li> </ul> <p>Medical Affairs Center of Excellence/Product Champion Regional Operating Unit South East Asia Boehringer Ingelheim Medical Affairs Manager and Clinical Safety Officer Associate Boehringer Ingelheim (Phils.) Inc. Head, Oncology Business Unit Boehringer Ingelheim (Phils.) Inc. Medical Affairs Manager for Specialty Care (Oncology, Infection, Neuroscience) and Medical Information Physician AstraZeneca Philippines Therapy Area Physician for Specialty Care (Oncology, Infection,</p>
<p>Palanca, Lumen R. 67 y/o Filipino</p>	<p>2013-2020 Treasurer, Palawan Medical Society 2017 Treasurer ACEMC Palawan Inc. Consultant, Adventist Hospital Palawan Consultant- MMG Cooperative Hospital, Puerto Princesa City</p>
<p>Samoy, Marietta T. 68 y/o Filipino</p>	<p>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</p>
<p>Enriquez, Marilyn R. 77 y/o, Filipino</p>	<p>ACEMC Palawan Founder</p>
<p>Pablico, Shereil Delos Santos46 y/o, Filipino</p>	<p>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</p>
<p>Vicente, Ivan Michael G. 43 y/o Filipino</p>	<p>2012-2014 Fellow, UP –PGH Section of Gastroenterologists in Adventist Hospital Medical City MMG Cooperative Hospital</p>

**(2) Executive Officers**

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

Joseph M. Tovera	- President
Fernando P. Carlos	- Vice-President
Lumen R. Palanca	- Secretary
Marietta T. Samoy	- Assistant Secretary
Shereil D. Pablico	- Corporate Treasurer
Julieta B. Carlos	- Asst. Corporate Treasurer
Michael Edward R. Enriquez	- Chief Finance Officer

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
Ivan Michael G. Vicente	- Vice-Chairman, see foregoing Director's Profile
Joseph Tovera	- President, see foregoing Director's Profile
Fernando P. Carlos	- Vice-President, see foregoing Director's Profile
Lumen R. Palanca	- Corp. Secretary, see foregoing Director's Profile
Marietta T. Samoy	- Asst Corp. Secretary- fpr ongoing Profile
Shereil D. Pablico	- Corp. Treasurer, see foregoing Director's Profile
Julieta B. Carlos	- Asst Corp. Treasurer, see foregoing Director's Profile
Michael Edward R. Enriquez	- Chief Finance Officer

**(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 [first cousin], 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**

Below is a summary of the transactions and account balances with related parties:

<b>2025</b>					
<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (current transaction)</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
<b>Founders</b>	<b>Payments</b>	-		<b>Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms</b>	<b>Unsecured</b>
	<b>Advances</b>	<b>22,294,492</b>	<b>₱102,855,015</b>		

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		

#### Cash Advances

The Company obtained advances from certain shareholders to help finance the construction of the hospital building and related facilities. These advances are non-interest bearing, unsecured, and payable upon demand, unless otherwise agreed by the parties. The advances may also be applied against future subscription to the Company's capital stock, subject to the approval of the Company's Board of Directors and compliance with applicable regulatory requirements. Advances from shareholders are presented under current liabilities in the statements of financial position.

During the last two (2) years, no director of the 20, 2017-2019 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, 2025, the following Directors are parties to legal proceedings in their capacity as Directors of Allied Care Experts (ACE) Medical Center-Cebu Inc.:

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

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

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

The Defendants have already filed their Answer to the Complaint.

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

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

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

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

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

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

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

On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and

declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

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

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

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

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

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

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

The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

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

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

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

On February 15, 2023, the Court denied the request of the Petitioners' motion to submit the case for decision based on the remaining sole legal issue. As stated in the Order, the presentation of

evidence for the petitioners will push through as scheduled on 03 March 2023 at 10:45 in the morning. The hearing was cancelled upon receipt of a Constancia dated 27 February 2023 and reset to 28 April 2023 at 10:45 in the morning.

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

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

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

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 Compensation
A. Chairman	2025	90,000.00	-	-
B. President	2025	90,000.00	-	-
C. Corporate Secretary	2025	60,000.00	-	-
D. Treasurer	2025	60,000.00	-	-
E. Aggregate For The Above Named CEO & Officers	2026-Estim.	300,000.00	-	-
	2025	300,000.00	-	-
	2024	200,000.00	-	-
F. Aggregate For The Officers And Directors As A Group	2026-Estim.	2,000,000.00	-	-
	2025	-	-	-
	2024	2,000,000.00-	-	-

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.

On Jan. 19, 2024, the Board approved a compensation package effective Jan. 19,2024 for the following officers:

Position	Amount of Compensation
Chairman	P 90,000.00
President	P 90,000.00
Vice-President	P 60,000.00
Treasurer	P 60,000.00
Asst. Corporate Secretary	P 40,000.00
Asst. Treasurer	P 40,000.00

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 2025 are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common Founder	Marilyn Enriquez Miguel Antonio Enriquez Michael Edward Enriquez Fernando Carlos	Amado Manuel Enriquez, Jr. /husband, father, first cousin	Filipino	32,500	14.74%

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

(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 Manuel C. Enriquez Jr.	Director	Direct 3,390,000 Founder 10,000 Indirect 16,950,000	Filipino	9.27%

Common Founder	Tovera, Joseph M.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Cerna- Lopez Geanie A.	Director	Direct 6,780,000 Founder 20,000 Common 6,800,000	Filipino	3.09%
Common Founder	Carlos, Fernando P.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Pablico, Shereil D.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Palanca, Lumen R.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Samoy, Marietta T.	Director	Direct 6,780,000 Founder 20,000 Common 6,800,000	Filipino	3.09%
Common Founder	Carlos, Julieta B.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Vicente, Ivan Michael G.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Enriquez, Marilyn R.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%

Common Founder	Felizarte, Lorna B.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Enriquez, Michael Edward R.	Director	Direct 13,560,000 Founder 40,000 Common 13,600,000	Filipino	6.18%
Common Founder	Recidoro, Hazel Marie C.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Andal, April Rheiboy C.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Founder	Portales, Janice Dale T.	Director	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
<b>Total for Directors</b>			<b>81,550,000</b>		<b>38.68%</b>

<b>Executive Officers:</b>					
Common Shares Founder	Joseph M. Tovera	President	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Shares Founder	Fernando P. Carlos	Vice-President	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Shares Founder	Lumen R. Palanca	Corporate Secretary	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Shares Founder	Marietta T. Samoy	Asst. Corp. Secretary	Direct 6,780,000 Founder 20,000 Common 6,800,000	Filipino	3.09%
Common Shares Founder	Shereil Delos Santos Pablico	Treasurer	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%

Common Shares Founder	Julieta B. Carlos	Asst. Treasurer	Direct 3,390,000 Founder 10,000 Common 3,400,000	Filipino	1.55%
Common Shares Founder	Enriquez, Michael Edward R.	Chief Finance Officer	Direct 13,560,000 Founder 40,000 Common 13,600,000	Filipino	6.18%
Total for Officers			<b>37,400,000</b>		<b>17.02%</b>
Common Shares	Directors and Exec. Officers as a Group		<b>118,950,000</b>		<b>55.7%</b>

- (3) Except for Dr. Amado Manuel Enriquez Jr., who owns 9.27% [through direct and indirect ownership], and Dr. Michael Edward R. Enriquez who owns 6.18%, Dr. Geanie Cerna- Lopez owns 2.18%, Dr. Marietta T. Samoy owns 3.09% through direct and indirect ownership none of the other Company's directors and management owns directly or indirectly 2.0% or more of the outstanding capital stock of the Company.
- (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:

2025					
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	22,294,492	₱102,855,015		

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 <b>terms</b>	Unsecured
	<b>Advances</b>	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 <b>terms</b>	Unsecured
	Advances	-	₱ 10,280,483		

#### Cash Advances

The Company obtained advances from certain shareholders to help finance the construction of the hospital building and related facilities. These advances are non-interest bearing, unsecured, and payable upon demand, unless otherwise agreed by the parties. The advances may also be applied against future subscription to the Company's capital stock, subject to the approval of the Company's Board of Directors and compliance with applicable regulatory requirements. Advances from shareholders are presented under current liabilities 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 the 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. April Rheiboy C. Andal – Independent Director  
Members: Dr. Hazel Marie C. Recidoro - Independent Director  
Dr. Geanie A. Cerna-Lopez

**Compensation and Remunerations Committee**

Chairman: Dr. Janice Dale T. Portales  
Members : Dr. Lumen R. Palanca  
Dr. Fernando P. Carlos  
Dr. Sonia J. Ulanday - (Non- voting)  
Dr. Jonathan H. Reblando - (Non- voting)

**Nominations Committee**

Chairman: Dr. Evelyn D. Funelas  
Members: Dr. Marietta T. Samoy  
Dr. April Rheiboy C. Andal – Independent Director  
Dr. Rosalie M. Reyes –( Non- voting)  
Dr. Charlemagne C. Soler - (Non- voting)

**Corporate Governance Committee**

Chairman : Dr. Janice Dale T. Portales ( 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**

\* 2025 Audited Financial Statements

**(b) Reports on SEC Form 17-C**

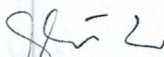
None.

### 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 M. TOVERA, MD.  
President

  
LUMEN R. PALANCA, MD.  
Corporate Secretary

  
SHEREIL D. PABLICO, MD.  
Treasurer

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

SUBSCRIBED AND SWORN to before me this MAR of 17 2026, affiants exhibiting to me their Tax Identification Number (TIN) as follows:

AFFIANTS	TIN NUMBER
Joseph M. Tovera, MD.	226-487-624
Lumen R. Palanca, MD.	137-336-429
Shereil D. Pablico, MD.	944-091-558

NOTARY PUBLIC

**ATTY. ONOS B. MANGOTARA**  
 NOTARY PUBLIC FOR CITY OF PUERTO PRINCESA  
 ABORLAN, NARKA, AGINGAY, BUYO, MAGSAYSAY, PAL.  
 ROLL NO. 27750/NOT. (C) 2026-01, UNTIL DEC. 31, 2027  
 IBP NO. INVS60902 NOVEMBER 23, 2025  
 PTR NO. 2303068, JANUARY 5, 2026  
 MCLE COMPLIANCE NO. VIII-2008689/04.14.2028  
 CRB BLDG. LACAO ST., BRGY. MANINGNING, PPG.  
 Email: onosbmangotara@gmail.com

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 Book No. XI  
 Series of: 2026



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

Allied Care Experts (ACE) Medical Center-Palawan Inc.  
 South National Highway, Barangay San Pedro  
 Puerto Princesa City, Palawan