



## SECURITIES AND EXCHANGE COMMISSION

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### Company Information

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**SEC Registration No.:** CS201540355

**Company Name:** ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC.

**Industry Classification:** N85121

**Company Type:** Stock Corporation

### Document Information

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

### CERTIFICATION

I, JAMES ROBERTSON C. PICHEL, President of Allied Care Experts (ACE) Medical Center-Zamboanga City Inc., (doing business in the name and style of Premier Medical Center Zamboanga) with SEC Reg. No. CS201540355 with principal business office at Don Alfaro Street, Brgy. Tetuan, Zamboanga City, on oath state:

- 1) That on behalf of Allied Care Experts (ACE) Medical Center-Zamboanga City Inc., (doing business in the name and style of Premier Medical Center Zamboanga), I have caused this SEC Form 17-Q 2nd Quarter dated August 14, 2025 to be prepared;
- 2) That I have read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company Allied Care Experts (ACE) Medical Center-Zamboanga City Inc., (doing business in the name and style of Premier Medical Center Zamboanga), will comply with the requirements set forth in SEC Memorandum Circular No. 18 dated October 9, 2023, for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fees shall be considered complete and officially received only upon payment of a filing fee.

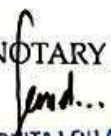
IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of August 2025 at Zamboanga City, Philippines.

  
JAMES ROBERTSON C. PICHEL, M.D.  
President

SUBSCRIBED AND SWORN to before me this AUG 14 2025 at Zamboanga City, Philippines, affiant exhibiting to me his Professional Regulation Commission (PRC) ID No. 92430 which will expire on November 11, 2025.

Doc. No. 457  
Page No. 93  
Book No. II  
Series of 2025

NOTARY PUBLIC

  
ATTY. DONITA LOU A. BEMIDA  
Notary Public for Zamboanga City  
Notarial Commission No. 2025-79 until December 31, 2026  
Commission Expires March 14, 2025-December 31, 2026  
Bongabong and Associates Law Office  
Unit 2-A MC Marketing Building,  
Veterans Avenue, Zamboanga City  
Roll No. 43064; June 3, 2022  
ISP No. 433116; Jan. 30, 2025  
PTR No. 292918; Jan. 03, 2026  
MCLE Compliance No. V08-079022; From June 07, 2024 to April 14, 2025

**COVER SHEET**

**CS2015403**  
SEC Registration No.

**ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC.**  
*(doing business in the name and style of PREMIER MEDICAL CENTER ZAMBOANGA)*  
(Company's Full Name)

**Don Alfaro Street, Brgy. Tetuan, Zamboanga City**  
(Company's Address)

**(062) 991-9778 / 0917-779-9816**  
(Company's Contact Number)

**2025 December 31**  
(Fiscal Year Ending-Month and Day)

**17 - Q (2nd Qtr)**  
(FORM TYPE)

**June 30, 2025**  
(Period Ended Date)

(Amendment Designation, if Applicable)

**Issuer of Securities**  
(Secondary License Type, if any)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended 30 JUNE 2025
2. Commission identification number. CS201540355 3. BIR Tax Identification No. 478-905-770

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC

4. Exact name of issuer as specified in its charter

DON ALFARO ST., TETUAN, ZAMBOANGA CITY, ZAMBOANGA DE SUR 7000

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code:  (SEC Use Only)

DON ALFARO ST., TETUAN, ZAMBOANGA CITY

7. Address of issuer's principal office

Postal Code 7000

(062) 991-9778

8. Issuer's telephone number, including area code

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC.  
DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER  
ZAMBOANGA

9. Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and of debt
amount outstanding	
Founder	600
Common	327,030
Amount of Debt	P 876,012,500

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

Yes [ ] No [ ☒ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

\_\_\_\_\_



12. Indicate by check mark whether the registrant:

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

Yes [ ☒ ]    No [ ☐ ]

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

Yes [ ☒ ]    No [ ☐ ]

## TABLE OF CONTENTS

	PAGE NO.
<b>PART I – FINANCIAL INFORMATION</b>	5
Item 1. Financial Statements	5
Item 2. Management’s Discussion and Analysis	5
Results of Operations	
Statement of Financial Condition	
Financial Soundness Indicator	
Trends, Events and/or Uncertainties	
<b>PART II – OTHER INFORMATION</b>	16
<b>SIGNATURES</b>	
<b>ANNEX A – FINANCIAL STATEMENTS</b>	17

## **PART I--FINANCIAL INFORMATION**

### **Item 1. Financial Statements.**

The Financial Statements (FS) of Allied Care Experts (ACE) Medical Center – Zamboanga City, Inc. (doing business in the name and style of Premier Medical Center Zamboanga with SEC Reg. No. CS201540355), (the Company) as at and for the 2nd quarter ended June 30, 2025 (with comparative figures as at December 31, 2024) are filed as part of this Form 17-Q as Annex “A”.

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

#### **Management Discussions and Analysis (MD&A) or Plan of Operations**

#### **I. RESULTS OF OPERATIONS (June 30, 2025 vs. June 30, 2024)**

	Horizontal Analysis				Vertical Analysis	
	6/30/2025	6/30/2024	Inc./Dec.	%	6/30/2025	6/30/2024
Revenues						
Revenues from Goods	37,605,753	-	37,605,753	n/a	36%	n/a
Revenues from Services	68,140,716	-	68,140,716	n/a	64%	n/a
Total Revenues	105,746,469	-	105,746,469	n/a	100%	n/a
Cost of Revenues						
Cost of sales	(28,068,585)	-	(28,068,585)	n/a	33%	n/a
Cost of Rendering Services	(56,491,877)	-	(56,491,877)	n/a	67%	n/a
Total Cost of Revenues	(84,560,461)	-	(84,560,461)	n/a	-80%	n/a
Gross Profit (Loss)	21,186,007	-	21,186,007	n/a	20%	n/a
Other Income	575,182	791,124	(215,942)	-27%	1%	n/a
Operating Expenses	(19,651,744)	(41,953,046)	22,301,302	-53%	-19%	n/a
Operating Income (Loss)	2,109,446	(45,337,510)	47,446,956	-105%	2%	n/a
Finance Cost	(12,091,123)	(22,515,836)	10,424,713	-46%	-11%	n/a
Loss before Provision for Income	(9,981,677)	(67,853,346)	57,871,669	-85%	-9%	n/a
Provision for Income Tax- Deferre	-					
<b>NET LOSS</b>	<b>(9,981,677)</b>	<b>(67,853,346)</b>	<b>57,871,669</b>	<b>-85%</b>	<b>-9%</b>	<b>n/a</b>

#### **REVENUE, COST OF HOSPITAL SERVICES AND GROSS PROFIT**

As of June 30, 2025, the hospital's revenues increased substantially as of December 31, 2024, to ₱105,746,469. This represents an absolute growth, within a six-month period. This notable increase suggests that the hospital may have experienced enhanced operational performance, potentially driven by higher patient volumes, service expansion, the introduction of new healthcare offerings, or the implementation of more effective strategic initiatives. In the vertical analysis, revenues are presented as 100% for both periods, as all other financial components are measured relative to total revenue. Overall, the data demonstrates a significant improvement in the hospital's revenue-generating capacity, indicating strong financial momentum and a positive outlook for sustained growth.

## **OPERATING EXPENSES**

**For the 2nd Quarter Ended June 30, 2025 and June 30, 2024**

For the 2nd Quarter Ended June 30, 2025 and June 30, 2024	Horizontal Analysis				Vertical Analysis	
	30/06/2025	30/06/2024	Inc./Dec.	%	30/06/2025	30/06/2024
Depreciation	6,515,165.92	5,162,209	1,352,957	26.21%	33.15%	12.30%
Professional Fees	4,673,196.74	848,500	3,824,697	100.00%	23.78%	2.02%
Office & Other Supplies	2,695,520.85	264,568	2,430,953	918.84%	13.72%	0.63%
Taxes, Licenses & Permits	1,495,556.31	2,997,148	(1,501,592)	100.00%	7.61%	7.14%
Readers Fee	952,110.15	-	952,110	100.00%	4.84%	0.00%
Directors Fee	636,865.58	-	636,866	100.00%	3.24%	0.00%
Retainer's Fee	536,866.68	-	536,867	100.00%	2.73%	0.00%
Laundry Expense	515,716.69	-	515,717	100.00%	2.62%	0.00%
Repairs and maintenance	422,960.26	48,896	374,064	765.02%	2.15%	0.12%
Transportation & Travel	333,272.54	99,130	234,143	236.20%	1.70%	0.24%
Amortization	252,486.30	9,219	243,267	2638.76%	1.28%	0.02%
Seminars / Training & Development	107,177.03	-	107,177	100.00%	0.55%	0.00%
Processing Fee	88,920.90	-	88,921	100.00%	0.45%	0.00%
Membership Dues	77,840.00	-	77,840	100.00%	0.40%	0.00%
Gasoline Expense	70,569.81	4,369,111	(4,298,541)	100.00%	0.36%	10.41%
Representation Expense	66,073.62	-	66,074	100.00%	0.34%	0.00%
Research and Marketing	52,214.29	-	52,214	100.00%	0.27%	0.00%
Board/Stockholders/Mancom Meetings	34,007.93	33,304	704	2.11%	0.17%	0.08%
Medical and Hospitalization Expenses	31,396.00	-	31,396	100.00%	0.16%	0.00%
Staffhouse Rental	31,000.00	-	31,000	100.00%	0.16%	0.00%
Water Analysis Fee	28,940.00	-	28,940	100.00%	0.15%	0.00%
Miscellaneous Expenses	28,609.32	27,000	1,609	5.96%	0.15%	0.06%
Oil and Lubricant	5,276.61	-	5,277	100.00%	0.03%	0.00%
Fees and Penalties	-	12,926,218	(12,926,218)	-100.00%	0.00%	30.81%
Communication, Light and Water	-	7,881,158	(7,881,158)	-100.00%	0.00%	18.79%
Salaries and Wages including benefits	-	5,727,995	(5,727,995)	-100.00%	0.00%	13.65%
SSS, PHIC and HDMF Contributions	-	677,181	(677,181)	-100.00%	0.00%	1.61%
Security Salaries	-	586,167	(586,167)	-100.00%	0.00%	1.40%
Medical Supplies	-	269,039	(269,039)	-100.00%	0.00%	0.64%
Honorarium	-	26,203	(26,203)	-100.00%	0.00%	0.06%
	19,651,743.53	41,953,046.00	(22,301,302.47)	-53.16%	100%	100%

For the second quarter ending June 30, 2025, operating expenses totaled P19.65 million, reflecting a 53.16% decrease (P22.30 million) compared to the same period last year. This significant reduction is primarily due to lower costs in Fines and Penalties, Fuel and Oil, as well as Taxes and Licenses. Additionally, certain expense items—such as Salaries and Wages (including benefits), Communication, Utilities (Light and Water), SSS, PHIC and HDMF contributions, Security Salaries, Medical Supplies, and Honorarium—were reclassified under Direct Costs.

## **OTHER INCOME**

Other income decreased by 27%, from P791,124 in 2024 to P575,182 in 2025. Although it declined, other income remains a minor component, contributing only 1% of total revenue in 2025. This change has a limited impact on the overall financial performance. Although it remains a small portion of overall income, this positive trend contributes to the hospital's improved financial position and highlights efforts to diversify income sources.

## **FINANCE COSTS**

As of June 30, 2025, the hospital's finance costs decreased to P12,091,123 from P22,515,836 as of June 31, 2025. This represents a reduction of P10,424,713, or 46%, over the six-month period. In the vertical analysis, finance costs accounted for 11% of total revenues as of June 30, 2025. The decline in finance costs indicates improved management of interest expenses and other related financial obligations, contributing positively to the hospital's overall financial performance.

**NET INCOME (LOSS)**

The net loss improved significantly, from P67.85 million in 2024 to P9.98 million in 2025. This 85% reduction highlights a strong operational recovery and brings the company within striking distance of profitability. The net loss now represents only 9% of revenue, a substantial improvement from the prior year and a promising indicator of future performance. This substantial improvement highlights enhanced financial management and operational performance, contributing to the hospital's progress toward financial stability.

## II. A STATEMENT OF FINANCIAL CONDITION (JUNE 30, 2025 VS DECEMBER 31, 2024)

	30/06/2025	31/12/2024	Horizontal Analysis		Vertical Analysis	
			Inc./Dec.	%	30/06/2025	31/12/2024
ASSETS						
Current Assets						
Cash	19,730,437	28,375,724 -	8,645,287	-30.47%	1.58%	2.36%
Trade and Other Receivables	45,693,233	28,620,605	17,072,627	59.65%	3.65%	2.38%
Inventory	13,504,893	10,912,960	2,591,933	23.75%	1.08%	0.91%
Other Current Assets	101,348,787	99,431,315	1,917,472	1.93%	8.10%	8.28%
Total Current Assets	180,277,350	167,340,604	12,936,746	7.73%	14.41%	13.93%
Noncurrent Assets						
Property and Equipment, net	165,725,128	150,455,655	15,269,473	10.15%	13.25%	12.52%
Construction in Progress	868,985,074	847,720,968	21,264,106	2.51%	69.48%	70.56%
Intangible Asset, net	1,972,601	2,222,099 -	249,498	-11.23%	0.16%	0.18%
Other Noncurrent Asset	4,609,112	4,609,112	-	0.00%	0.37%	0.38%
Deferred MCIT	1,298	1,298	-	0.00%	0.00%	0.00%
Deferred Tax Asset	29,098,785	29,098,785	-	0.00%	2.33%	2.42%
Total Noncurrent Assets	1,070,391,997	1,034,107,917	36,284,080	3.51%	85.59%	86.07%
TOTAL ASSETS	1,250,669,348	1,201,448,521	49,220,826	4.10%	100.00%	100.00%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Trade and Other Payables	68,633,149	55,855,644	12,777,505	22.88%	5.49%	4.65%
Loans Payable	750,000	750,000	-	0.00%	0.06%	0.06%
Income Tax Payable	-	-	-	n/a	0.00%	0.00%
Total Current Liabilities	69,383,149	56,605,644	12,777,505	22.57%	5.55%	4.71%
Noncurrent Liabilities						
Loans Payable	876,012,500	876,387,500 -	375,000	-0.04%	70.04%	72.94%
Deposit for Future Stock Subscription	-	-	-	0.00%	0.00%	0.00%
Total Noncurrent Liabilities	876,012,500	876,387,500 -	375,000	-0.04%	70.04%	72.94%
Total Liabilities	945,395,649	932,993,144	12,402,505	1.33%	75.59%	77.66%
Shareholders' Equity						
Share Capital	309,630,000	309,630,000	-	0.00%	24.76%	25.77%
Authorized 359,400 common shares at Pph1,000 par value; 600 founder shares at Pph1,000 par value Issued and outstanding 318,420 common shares at par; including 600 founder shares at par						
Additional Paid-in Capital	162,000,000	115,200,000	46,800,000	40.63%	12.95%	9.59%
Deficit	(166,356,301)	(156,374,624) -	9,981,677	6.38%	-13.30%	-13.02%
Total Shareholders' Equity	305,273,699	268,455,377	36,818,323	13.71%	24.41%	22.34%
TOTAL LIABILITIES AND SHAREHOLDERS' EQU	1,250,669,348	1,201,448,521	49,220,827	4.10%	100.00%	100.00%

### ASSETS

Changes in the Financial Condition for comparative periods as at June 30, 2025 and December 31, 2024:

**Cash and Cash Equivalents.** As of June 30, 2025, the Company's cash balance stood at ₱19,730,437, reflecting a decrease of ₱8,645,287 or 30.47% from the ₱28,375,724 reported on December 31, 2024. This decline indicates increased cash utilization during the quarter, driven by operational needs, planned capital expenditures, or the repayment of short-term obligations. In terms of vertical analysis, cash comprised 1.58% of total assets as of June 30, 2025, down from 2.36% at year-end 2024. While the percentage decrease is modest, it still reflects a solid liquidity position relative to the Company's overall asset base. The 30.47% decline in cash indicates a moderate shift in liquidity, resulting from normal fluctuations in operating cash flow or timing differences between receipts and disbursements.

**Trade and Other Receivables.** As of June 30, 2025, the Company reported total Trade and Other Receivables of ₱45.69 million, reflecting an increase of ₱17.07 million or 59.65% from the ₱28.62 million reported as of December 31, 2024. Due to uncollected revenue from Philhealth, receivables from patients and Receivables from DOH. This increase may indicate higher credit sales or a slowdown in collections over the year. From a vertical analysis perspective, Trade and Other Receivables accounted for 3.65% of total assets in 2025, slightly up from 2.38% in 2024. The rise suggests that a marginally greater portion of the Company's

assets is tied to receivables, potentially reflecting a more credit-driven sales strategy or longer collection cycles. While this trend may be aligned with business growth, it underscores the need to closely manage receivable turnover to maintain a healthy liquidity position and efficient working capital management.

**Inventory.** As of June 30, 2025, the Company reported an inventory balance of ₱13.50 million, slightly up from ₱10.91 million as of December 31, 2024, reflecting an increase of ₱2.59 million or 23.75% based on horizontal analysis. This amount represents the value of medical supplies, pharmaceuticals, and other consumables that are either in stock or ready for use to support hospital operations. The modest decline suggests ongoing efforts to optimize inventory levels while avoiding excess stock that could lead to wastage or expiration. From a vertical perspective, inventories accounted for 1.08% of total assets as of June 30, 2025, compared to 0.91% at year-end 2024. The slight reduction indicates continued efficiency in supply chain management without compromising the hospital's capacity to ensure uninterrupted patient care.

**Other Current Assets.** As of June 30, 2025, Other Current Assets amounted to ₱101.34 million, primarily consisting of Input VAT Carry-Over and Advances to Suppliers. This reflects a slight increase of ₱1.92 million or 1.93% compared to the ₱99.43 million reported as of December 31, 2024, based on horizontal analysis. The decline may indicate the application of input tax credits or the fulfillment of supplier advances during the quarter. In terms of vertical analysis, Other Current Assets represented 8.10% of total assets as of June 30, 2025, compared to 8.28% at the end of 2024. This slight reduction suggests improved utilization or conversion of short-term assets into operational use, contributing to more efficient working capital management.

**Property and Equipment.** As of March 31, 2025, the net value of Property and Equipment increased by ₱15.45 million or 10.15% from its balance of ₱150.45 million as of December 31, 2024, reaching ₱165.72 million. This growth is primarily attributed to the acquisition of hospital and medical equipment in support of the Company's ongoing operational expansion. Based on vertical analysis, Property and Equipment accounted for 13.25% of total assets as of June 30, 2025, up from 12.52% at year-end 2024. The increase reflects continued investment in long-term assets to enhance the hospital's capacity and service delivery, aligning with its strategic goals for growth and improved patient care.

**Construction in progress.** Construction in Progress pertains to the ongoing development of the hospital building. As of June 30, 2025, the project is approximately 99% complete. The account increased by ₱21.26 million or 2.51% from the ₱847.72 million reported as of December 31, 2024, bringing the balance to ₱868.98 million. This growth reflects the Company's continued investment in expanding its facilities and infrastructure. From a vertical analysis standpoint, Construction in Progress represented 69.48% of total assets as of June 30, 2025, compared to 70.56% at year-end 2024. The slight decline in proportion, despite the absolute increase, indicates that other asset categories are also growing, suggesting a more balanced asset structure as construction progresses toward completion.

**Intangible Assets.** As of June 30, 2025, Intangible Assets, net of amortization, amounted to ₱1.97 million, reflecting a decrease of ₱249,498 or 11.23% from the ₱2.22 million reported as of December 31, 2024. The decline is attributed to the periodic amortization of intangible assets, such as software licenses or hospital system applications. In terms of vertical analysis, Intangible Assets accounted for 0.16% of total assets as of June 30, 2025, slightly down from 0.18% in the previous quarter. While the overall impact on the asset base is minimal, the decline reflects the normal consumption of economic benefits from intangible resources over time.

**Other Non-Current Assets.** This account includes energy deposits that are paid during the installation of hospital electricity.

**Deferred MCIT and Tax Assets.** As of June 30, 2025, Deferred Minimum Corporate Income Tax (MCIT) remained unchanged at ₱0, indicating no additional minimum corporate income tax credits were recognized during the quarter. Similarly, the Deferred Tax Asset held steady at ₱29.09 million, showing no movement from the December 31, 2024 balance. The absence of



change suggests stable expectations regarding the Company's ability to realize future tax benefits. From a vertical analysis perspective, the Deferred Tax Asset represented 2.33% of total assets as of June 30, 2025, and 2.42% from the previous quarter. The steady balances in both accounts reflect consistent tax positions and no significant shifts in timing or recognition of deductible temporary differences during the period.

**Advances to Related Party.** Advances to related parties have no movement as of the end of the 2nd quarter period.

## LIABILITIES

**Liabilities consists of the following:**

**Trade and Other Payables.** As of June 30, 2025, Trade and Other Payables amounted to ₱68.63 million, reflecting an increase of ₱12,777,505 or 22.78% from the ₱55.86 million reported as of December 31, 2024. This account consists of payables to suppliers, accrued expenses, and statutory obligations such as SSS, PhilHealth, and HDMF contributions. From a vertical analysis standpoint, Trade and Other Payables represented 5.49% of total assets as of June 30, 2025, slightly up from 4.65% in the previous quarter.

**Loans Payable.** As of June 30, 2025, the Hospital maintained several term loan agreements, including two loans previously obtained from the Development Bank of the Philippines (DBP) in 2018 and 2021. During 2024, the Hospital entered into six (6) new term loan agreements with the Bank of the Philippine Islands (BPI). The BPI loans were utilized to fully settle the outstanding balances with DBP and to partially finance the construction of hospital buildings as well as the acquisition of medical equipment and building utilities. As a result, total Interest-Bearing Loans and Borrowings stood at ₱876.01 million as of June 30, 2025, reflecting a ₱375,000 or 0.04% decrease from ₱876.39 million as of December 31, 2024. Based on vertical analysis, loans accounted for 70.04% of total assets as of June 30, 2025, slightly up from 72.94% in the previous quarter.

## EQUITY

**Capital Shares.** As of June 30, 2025, the Company's authorized share capital is at ₱309.63 million. No amendments to the capital structure were made during the quarter, and no additional shares were issued under the current authorization. From a vertical analysis perspective, the authorized share capital continues to represent a stable capital base aligned with the Company's long-term financing framework. While there is no movement in this account for the period, its presence provides the legal capacity for future equity infusions, including the planned conversion of deposits for future stock subscription, subject to regulatory and board approvals.

**Subscription Receivables.** As of June 30, 2025, subscription receivable remained unchanged at Php 18,000,000, consistent with the balance reported as of December 31, 2024, as no collections were made during the period.

**Additional Paid-In Capital (APIC).** As of June 30, 2025, the Company's Additional Paid-In Capital (APIC) amounted to ₱162.00 million, reflecting an increase of P46,800,000 from the prior balance of ₱115,200,000 as of December 31, 2024. This increase resulted from the issuance of common shares during the period at prices above their par value. APIC represents the premium paid by investors over the par value of shares and is recognized as part of equity in the Company's statement of financial position. Based on vertical analysis, APIC accounted for 12.95% of total assets as of June 30, 2025 from 9.59%, highlighting a significant infusion of capital that strengthens the Company's equity base and improves its financial leverage position.

**Deficit.** As of June 30, 2025, the Company's deficit stood at ₱166,356,301, reflecting an increase of ₱9,981,677 or 6.38% from the ₱156,374,624 reported as of December 31, 2024. This increase was primarily due to the net loss incurred during the second quarter, further contributing to the Company's accumulated losses. In terms of vertical analysis, the deficit represented 13.30% of total assets as of June 30, 2025, compared to 13.02% in the previous

quarter. The slight increase in proportion indicates a continued strain on retained earnings, underscoring the need for sustained revenue growth or cost management to improve profitability and reverse the negative equity trend over time.

### III. A. FINANCIAL SOUNDNESS INDICATOR (JUNE 30, 2024 vs DECEMBER 31,2024)

#### KEY PERFORMANCE INDICATORS

	Definition	30-Jun-25	31-Dec-24	Remarks
<b>1. LIQUIDITY</b>				
Quick Asset Ratio	$\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$	28%	50%	As of June 30, 2025, the Hospital reported a quick ratio of 0.28, indicating that it can cover 28% of its current liabilities using its most liquid assets, excluding inventory—primarily cash and receivables. While this ratio is below the ideal benchmark of 1.0, it reflects adequate immediate liquidity and the Hospital's ability to meet short-term obligations without relying on inventory turnover. Notably, the quick ratio has significantly improved from the same period last year, highlighting progress in the Hospital's short-term financial stability and working capital efficiency.
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	260%	296%	As of June 30, 2025, the Hospital reported a current ratio of 2.60, indicating a strong liquidity position. This means that for every ₱1.00 of current liabilities, the Hospital holds ₱2.60 in current assets, reflecting a more than sufficient buffer to meet short-term obligations. The ratio represents an improvement from the previous period, signaling enhanced short-term financial flexibility and more efficient management of working capital. The increase further reinforces the Hospital's ability to operate without liquidity strain in the near term.
<b>2. SOLVENCY</b>				
Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Equity}}$	310%	326%	As of June 30, 2025, the Hospital's debt-to-equity ratio stood at 3.10, indicating that it has ₱3.10 in debt for every ₱1.00 of equity. Although leverage remains elevated, the ratio shows a slight improvement compared to the same period last year, when it was higher, suggesting modest progress in strengthening the equity base or managing debt levels. The current level of leverage reflects the Hospital's continued reliance on debt financing, particularly due to a term loan secured from the Bank of the Philippine Islands (BPI) to support the completion of hospital facilities and the acquisition of medical equipment and building utilities.

				While such borrowing supports expansion, it also increases financial risk, especially if profitability does not improve to match the growing debt burden.
<b>3. PROFITABILITY</b>				
Net Profit Margin	<u>Net Income</u> Stockholders Equity	-9%	-121%	As of June 30, 2025, the Hospital reported a negative net profit margin of -9%, indicating that it incurred a loss of 0.09 for every peso of revenue earned. This margin reflects significant financial strain and underscores ongoing operational and profitability challenges during the early stages of full-scale operations. Despite being operational, the Hospital continues to navigate typical start-up difficulties, including the need to increase patient admissions to support daily operating costs, reliance on affiliate doctors for patient referrals, and expanding marketing efforts to reach a broader base of potential patients for its advanced medical services. While these challenges have contributed to the current loss, management remains optimistic about reversing this trend in the coming quarters as patient volume grows and service utilization improves. Sustained efforts in outreach, service delivery, and partnership development are expected to strengthen financial performance over time.
Return on Equity	<u>Net Income</u> Stockholders Equity	-3%	-26%	As of June 30, 2025, the Hospital reported a Return on Equity (ROE) of -0.03, indicating that for every ₱1.00 of shareholders' equity, the Hospital incurred a loss of ₱0.03. This negative return reflects poor profitability and signals inefficiency in utilizing shareholder capital to generate earnings. The result is consistent with the net loss for the period and highlights the financial strain faced during the early stages of full-scale operations. While current returns are unfavorable, the ROE may gradually improve as the Hospital increases patient admissions, enhances operational efficiency, and better leverages its investments to drive revenue growth in the succeeding quarters.
<b>4. LEVERAGE</b>				
Debt to Total Asset Ratio	<u>Total Liabilities</u> Total Asset	76%	78%	As of June 30, 2025, the Hospital's debt-to-total assets ratio stood at 0.76, indicating that 76% of its assets are financed through debt. This marks a slight improvement compared to the 0.78 ratio recorded in the same period last year, suggesting gradual strengthening of the Hospital's capital structure. Despite the decrease, the ratio remains relatively high, reflecting a continued dependence on debt financing. This level of leverage may expose the Hospital to financial risk, particularly in a rising

				interest rate environment or if operating cash flows are insufficient to meet debt servicing requirements. Managing this risk will require careful cash flow monitoring and gradual improvement in profitability to reduce reliance on borrowed funds over time.
Asset to Equity Ratio	<u>Total Asset</u> Equity	410%	448%	As of June 30, 2025, the Hospital reported an asset-to-equity ratio of 4.10, indicating that for every ₱1.00 of equity, the Hospital holds ₱4.10 in total assets. This high ratio reflects significant financial leverage, meaning a large portion of the Hospital's assets is financed through liabilities rather than shareholder equity. While this structure can amplify returns in periods of profitability, it also increases financial risk, especially if the Hospital faces cash flow constraints or rising interest costs. The ratio underscores the importance of balancing debt and equity to ensure long-term financial sustainability and operational resilience.

## TRENDS, EVENT OR UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME

As of June 30, 2025 :

1. The hospital has demonstrated significant improvements in its quick asset and current ratios, indicating a healthier financial standing. This progress is primarily due to efficient collection processes from patient admissions and receivables, including payments for hospital and physician services. A substantial portion of these collections come from patients covered by the Philippine Health Insurance Corporation (PhilHealth), along with reimbursements from government entities such as the Department of Health (DOH), the Department of Social Welfare and Development (DSWD), and the Philippine Charity Sweepstakes Office (PCSO).

While the hospital has successfully commenced operations, it still faces several challenges common to newly established healthcare facilities. Chief among these is the need to boost patient admissions to maintain the viability of day-to-day operations. Additionally, strengthening partnerships with affiliate doctors is crucial, as their referrals are key to optimizing the use of hospital services. Promoting the hospital's cutting-edge and specialized services to a wider audience is also vital to attracting more patients.

Management remains positive that these challenges can be effectively addressed through targeted strategies. These include increasing patient volume, enhancing collaboration with affiliate physicians, and intensifying efforts to market the hospital's unique offerings. With these measures, the hospital anticipates continued growth and improvement in the coming months and years. It remains dedicated to providing high-quality healthcare to the community and is confident that these initiatives will overcome current operational hurdles.

2. There are no seasonal factors that have had a significant impact on the Company's financial situation or results of operations.
3. There are no events or any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Company.

4. There are no occurrences, defaults, or accelerations of obligations that will result in direct or contingent financial obligations that are material to the Company.
5. A complaint was filed against Allied Care Experts (ACE) Medical Center Zamboanga City, Inc., The Complaint for Intra-Corporate Dispute with Damages, dated 20 February 2024, was filed before the Regional Trial Court of Zamboanga City on 21 February 2024. There is no update on the case thereafter. As of 31 December 2023, to the knowledge and information of the Company, there are no pending material legal proceedings that involve AC EMCZI or any of its properties, aside from the aforementioned case. The company commenced its operations on November 13, 2023.

The Issuer is a party in the pending intra-corporate dispute with damages entitled “Al-Rajid J. Jamiri, vs. Aesha Yahcob Pingli, Lilia Go, Lieza G. Sahi, James Robertson C. Pichel, Allied Care

Experts Medical Center- Zamboanga City, Inc. and Securities and Exchange Commission Zamboanga Extension Office, represented by Atty. Jesus Salvador Uro” pending before the Regional Trial Court of Zamboanga City., Branch 12 [Civil Case No. 7229].

The Complaint for Intra-Corporate Dispute with Damages, dated 20 February 2024, was filed before the Regional Trial Court of Zamboanga City on 21 February 2024. The Principal Parties are as follows: Plaintiff - Al-Rajid J. Jamiri Defendants - Aesha Yahcob Pingli, Lilia Go, Lieza G. Sahi, ( incumbent Treasurer) James Robertson C. Pichel ( incumbent President) , Allied Care Experts Medical Center- Zamboanga City, Inc. and Securities and Exchange Commission Zamboanga Extension Office, represented by Atty. Jesus Salvador Uro.

The Plaintiff is praying for the 1] issuance of stock certificates of the Corporation in his favor in the amount of Php 12,000,000.00, 2] inspection of the corporate books, records, and minutes of the meetings of the Issuer, and 3] payment of loss of potential income, attorney’s fees, and litigation Expenses.

The Plaintiff’s avers that he paid the amount of Php 12,000,000.00 corresponding to Php 12,000,000.00 worth of shares of the stock of the Issuer despite only paying Php 1,550,000.00 appearing in the corporate records of the Issuer. The Plaintiff states that he was denied access to corporate books and records when the truth of the matter is that the Issuer never denied access to corporate books and records provided it shall be made during office hours. The Issuer filed its Answer with Counterclaims, dated 1 March 2024, on 4 March 2024 and has sought the dismissal of the aforesaid Complaint and was dismissed by the RTC last July 19, 2024. After the dismissal the Plaintiff forwarded the matter to the Court of Appeals.

On February 10, 2025, a copy of the Court of Appeals’ Resolution dated December 13, 2024, which addressed several matters related to the ongoing petition for review under Rule 43 was received. The Resolution included the following directives and notes:

1. The Court granted the petitioner’s motion for an extension to file the petition for review.
2. It noted the petition for review filed on August 22, 2024, subject to the submission of proof of electronic filing.
3. The Court instructed the petitioner to correct two specific deficiencies:
  - The complete, current, and actual addresses of the respondents, and
  - The affidavit of service.
4. The Court also acknowledged the Comment with Entry of Appearance filed on September 13, 2024, by Atty. Rena Joy C. Castigador of CTL Law Office, as counsel for the private respondents, including Allied Care Experts Medical Center–Zamboanga City, Inc.
5. It noted the petitioner’s Reply to the Comment, which was filed on November 4, 2024.
6. Finally, the Court directed the Securities and Exchange Commission (SEC) Zamboanga Extension Office to file a Comment on the petition.

On the following day, February 11, 2025, a Compliance was filed on the same day, formally informing the Court of Appeals, Twenty-Second Division, that the company has received the

Resolution dated December 13, 2024, on February 10, 2025, in accordance with the Court's directive.

Subsequently, on March 11, 2025, a copy of a Manifestation filed by the SEC Zamboanga City Office was received, through the Office of the Solicitor General. In the Manifestation, the SEC stated that it would not be filing a Comment on the petition, maintaining its position that its involvement in Civil Case No. 7229, and consequently in the present petition, is neither necessary nor indispensable for the full resolution of the petitioner's claims.

To date, the petitioner has complied with the electronic filing requirements and other directives issued by the Court of Appeals.

The last pleading received was the SEC's Manifestation, which was sent via registered mail. The most recent resolution received from the Court of Appeals remains the one dated December 13, 2024.

6. The company has no investments on foreign securities.
7. There were material commitments for capital expenditures during the period as disclosed in Note 7 of the financial statements.

**PART II--OTHER INFORMATION**

N/A

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC**  
**(Doing business in the name and style of Premier Medical Center Zamboanga with SEC**  
**Reg. No. CS201540355)**

Signature and Title

  
**DR. JAMES ROBERTSTON C. PICHEL**  
*President & CEO*

Date

August 15, 2025

Signature and Title

  
**DR. GIOVANNI PAOLO C. GIMENA**  
*Corporate Secretary*

Date

August 15, 2025

Signature and Title

  
**DR. LIEZA G. SAHI**  
*Corporate Treasurer/CFO*

Date

August 15, 2025



# ALLIED CARE EXPERTS (ACE) MEDICAL CENTER- ZAMBOANGA CITY, INC.

(DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)

Don Alfaro St., Tetuan, Zamboanga City  
TIN: 478-905-770-000  
President: James Robertson C. Pichel, M.D.



## Audited Interim Financial Statements

For the interim period ended June 30, 2025 and December 31, 2024

*and*

## Independent Auditor's Report

(In Philippine Peso)



**FLORIVEL M. DE JESUS**

Certified Public Accountant  
Contact Nos (062) 991-1011 955-3563 955-5912  
Accredited by:

Board of Accountancy (BOA)  
Bureau of Internal Revenue (BIR)  
Securities and Exchange Commission (SEC)  
Cooperative Development Authority (CDA)



# PMC

Premier  
Medical Center  
Zamboanga

## Statement of Management's Responsibility for Financial Statements

The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** is responsible for the preparation and fair presentation of the interim financial statements including the schedules attached therein, for the interim period ended June 30, 2025 and year ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**Florivel M. De Jesus**, the independent auditor appointed by the shareholders, has audited the interim financial statements of the Company in accordance with Philippine Standards on Auditing, and in her report to the shareholders, has expressed her opinion on the fairness of presentation upon completion of such audit.

  
**ROMULO A. ONG**  
Chairman of the Board

  
**JAMES ROBERTSON C. PICHEL**  
President

  
**LIEZA G. SAHI**  
Chief Financial Officer

Signed this 31st day of July 2025

SUBSCRIBED AND SWORN TO before me this AUG 13 2025  
in Zamboanga City, Philippines. Affiant(s) exhibited  
competent proof of identity and attested to the  
truth of the foregoing statements.

Oath/Jurat/Acknowledgment Only

  
**ZENITH JULIOS JOPINA**  
NOTARY PUBLIC FOR ZAMBOANGA CITY  
CTIA Law Firm, 2nd Room, 3rd Floor, L'Arcade,  
MCCL Highway, Tetuan, Z.C.  
Notarial Commission No. 25-08  
Commissioned on January 15, 2025  
Roll No. 75208; 07-22-2020  
IBP No. 485054, 12-19-2024; ZAMBASULTA  
PTR No. 3073089; 01-07-2025; Z.C.

Doc. No. 513  
Page No. 104  
Book No. 2011  
Series of 20. 25





Florivel M. De Jesus Accounting and Auditing Office  
3rd Floor JSB Building, Don Alfaro Street, Tetuan, Zamboanga City 7000  
Email Address: flordj36@yahoo.com  
Contact Numbers: (062) 991-1011 | 955-3563 | 955-5912

#### TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the interim financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** for the interim period ended June 30, 2025, which are herewith submitted to the Securities and Exchange Commission, I hereby represent the following:

1. That said financial statements herewith were prepared and presented in conformity with the Philippine Financial Reporting Standards (PFRS) in all cases where I shall express an unmodified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
2. That as the conduct of my audit, I adhered to the Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
3. That I am qualified as provided for in Section 14 of the Code of Professional Ethics for the Certified Public Accountants;
4. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of the interim financial statements;
5. That I am fully aware of my responsibility as an independent auditor for the audit certificate issued and attached to the interim financial statements and the sanctions to be bestowed on me for any misrepresentations that I may have willingly or unwillingly committed; and
6. That I am an active officer of the PICPA Zamboanga-Basilan-Jolo, Sulu-Tawi-Tawi Chapter, in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA).

As a CPA engaged in public practice pursuant to Board Resolution No. 38, Series of 1990, Board of Accountancy, approved on February 19, 1990 by the Professional Regulation Commission, I make these representations in my individual capacity and as an accountant in the accounting firm of Florivel M. De Jesus Accounting and Auditing Office.

  
**FLORIVEL M. DE JESUS**  
Board certificate no. 87417  
TIN: 263-445-116  
PTR no 3067044

Issued on January 2, 2025 at Zamboanga City  
SEC accreditation no. 87417-SEC Group C  
Issued on February 22, 2021  
Extended to cover the Audit of 2025 Financial Statements  
BIR accreditation no: AN-15-002100-1-2022  
Issued on August 15, 2022 until August 14, 2025  
BOA accreditation no.0727  
Issued on February 1, 2024 until January 31, 2025  
DTI no. 5815061  
Issued on March 13, 2024 until March 13, 2029  
CDA accreditation no. 0323  
Issued on February 12, 2024 until February 11, 2029

July 31, 2025





Florivel M. De Jesus Accounting and Auditing Office  
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Email Address: flordj36@yahoo.com  
Contact Numbers: (062) 991-1011 | 955-3563 | 955-5912

#### REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION 15-2010

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, and license fees in the notes to the interim financial statements is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements. Such information is the responsibility of the management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)**. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

My audit was conducted for the purpose of forming an opinion on the basic financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** as a whole. The supplementary information shown in the supporting schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
**FLORIVEL M. DE JESUS**  
Board certificate no. 87417  
TIN: 263-445-116  
PTR no 3067044

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## INDEPENDENT AUDITOR'S REPORT

### THE SHAREHOLDERS AND THE BOARD OF DIRECTORS

**ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.**

**(DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)**

Don Alfaro St., Tetuan, Zamboanga City

### REPORT ON THE AUDIT OF THE INTERIM FINANCIAL STATEMENTS

#### OPINION

I have audited the interim financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** (the Company), which comprise the statements of financial position as at June 30, 2025 and December 31, 2024, and the statements of comprehensive income, statements of changes in shareholders' equity, and statement of cash flows for the years then ended, and notes to the interim financial statements, including material accounting policy information and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and December 31, 2024, and of its financial performance and its cash flows for the period then ended in accordance with Philippine Financial Reporting Standards (PFRS).

#### BASIS FOR OPINION

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the interim financial statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to my audit of the interim financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE INTERIM FINANCIAL STATEMENTS

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

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

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







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Contact Numbers: (062) 991-1011 | 955-3563 | 955-5912

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE INTERIM FINANCIAL STATEMENTS**

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

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats and safeguards applied.



## STATEMENTS OF FINANCIAL POSITION

As of December 31  
(In Philippine Peso)

	Notes	6/30/2025	12/31/2024
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash	2.4, 3	19,730,438	28,375,724
Receivables	2.6, 4	45,693,234	28,620,605
Inventories	2.8, 5	13,504,893	10,912,960
Other Current Assets	2.9, 6	101,348,787	99,431,315
<b>Total Current Assets</b>		<b>180,277,352</b>	<b>167,340,604</b>
<i>Noncurrent Assets</i>			
Property and Equipment, net	2.10, 7	165,725,128	150,455,655
Construction in Progress	2.10, 8	868,985,074	847,720,968
Intangible Asset, net	2.11, 9	1,972,601	2,222,099
Other Noncurrent Asset	10	4,609,112	4,609,112
Deferred MCIT	2.15, 20	1,298	1,298
Deferred Tax Asset	2.15, 20	29,098,785	29,098,785
<b>Total Noncurrent Assets</b>		<b>1,070,391,998</b>	<b>1,034,107,917</b>
<b>TOTAL ASSETS</b>		<b>1,250,669,350</b>	<b>1,201,448,521</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<i>Current Liabilities</i>			
Trade and Other Payables	2.13, 11	68,633,150	55,855,644
Loans Payable	2.17, 12	750,000	750,000
Income Tax Payable	2.15, 20	—	—
<b>Total Current Liabilities</b>		<b>69,383,150</b>	<b>56,605,644</b>
<i>Noncurrent Liabilities</i>			
Loans Payable	2.17, 12	876,012,500	876,387,500
Deposit for Future Stock Subscription	2.18, 13	—	—
<b>Total Noncurrent Liabilities</b>		<b>876,012,500</b>	<b>876,387,500</b>
<b>Total Liabilities</b>		<b>945,395,650</b>	<b>932,993,144</b>
<i>Shareholders' Equity</i>			
Share Capital	2.18, 14	309,630,000	309,630,000
<i>Authorized 180,000 preferred shares at Php1,000 par value; 179,400 common shares at Php1,000 par value; 600 founder shares at Php1,000 par value</i>			
<i>Issued and outstanding 151,000 preferred shares at par; 150,400 common shares at par; 600 founder shares at par</i>			
Additional Paid-in Capital	2.21, 14	162,000,000	115,200,000
Deficit	2.20, 15	(166,356,301)	(156,374,624)
<b>Total Shareholders' Equity</b>		<b>305,273,700</b>	<b>268,455,377</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,250,669,350</b>	<b>1,201,448,521</b>

*See Notes to the Financial Statements*



## STATEMENTS OF COMPREHENSIVE INCOME

For the interim period ended  
(In Philippine Peso)

	Notes	6/30/2025	12/31/2024
Revenues	2.1, 16	105,746,469	57,872,252
Cost of Revenues	2.2, 17	(84,560,462)	(63,767,854)
Gross Profit		21,186,007	(5,895,602)
Other Income	18	575,182	286,737
Operating Expenses	2.3, 19	(19,651,743)	(39,728,645)
Operating Income (Loss)		2,109,446	(45,337,510)
Finance Cost	2.17, 12	(12,091,123)	(24,790,091)
Loss before Provision for Income Tax		(9,981,677)	(70,127,601)
Provision for Income Tax	2.15, 20		
Current Income Tax		—	—
Deferred Income Tax		—	17,534,769
<b>NET LOSS</b>		<b>(9,981,677)</b>	<b>(52,592,832)</b>
<i>See Notes to the Financial Statements</i>			
<b>LOSS PER SHARE</b>		<b>(31.51)</b>	<b>(166.00)</b>

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the interim period ended  
(In Philippine Peso)

	Notes	6/30/2025	12/31/2024
<b>Share Capital</b>			
<i>Authorized Share Capital</i>			
Preferred Shares - 180,000 shares, Php1,000 par value		180,000,000	180,000,000
Common Shares - 179,400 shares, Php1,000 par value		179,400,000	179,400,000
Founder Shares - 600 shares, Php1,000 par value		600,000	600,000
Total Authorized Share Capital	2.18, 14	360,000,000	360,000,000
<i>Subscribed Share Capital</i>			
Preferred Shares, Beginning Balance		–	151,000,000
Conversion to Common Shares		–	(151,000,000)
Preferred Shares, Ending Balance	2.18, 14	–	–
Common Shares, Beginning Balance		327,030,000	154,400,000
Additional Issuances- 21,630 Shares		–	21,630,000
Conversion from Preferred Shares		–	151,000,000
Common Shares, Ending Balance	2.18, 14	327,030,000	327,030,000
Founder Shares, Beginning Balance		600,000	600,000
Additional Subscriptions		–	–
Founder Shares, Ending Balance	2.18, 14	600,000	600,000
<i>Subscription Receivable</i>			
Beginning Balance		(18,000,000)	(18,000,000)
Additions during the year		–	–
Collections during the year		–	–
Ending Balance	2.18, 14	(18,000,000)	(18,000,000)
Total Paid-Up Share Capital	2.18, 14	309,630,000	309,630,000
<i>Additional Paid-In Capital</i>			
Beginning Balance		115,200,000	–
Issuance of shares at above par		46,800,000	115,200,000
Ending Balance	2.21, 14	162,000,000	115,200,000
<i>Deficit</i>			
Beginning Balance		(156,374,624)	(103,781,792)
Appropriations made during the year		–	–
Net Loss		(9,981,677)	(52,592,832)
Ending Balance	2.20, 15	(166,356,301)	(156,374,624)
Total Deficit	2.20, 15	(166,356,301)	(156,374,624)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>305,273,700</b>	<b>268,455,377</b>
<i>See Notes to the Financial Statements</i>			

## STATEMENTS OF CASH FLOWS

For the interim period ended  
(In Philippine Peso)

	Notes	6/30/2025	12/31/2024
<i>Cash Flows from Operating Activities</i>			
Loss before Provision for Income Tax		(9,981,677)	(70,127,601)
Adjustments to reconcile Loss before Provision for Income Tax to Operating Loss before Working Capital Changes:			
Finance Cost	2.17, 12	12,091,123	24,790,091
Depreciation	2.10, 7	6,515,185	12,457,119
Amortization	2.11, 9	252,486	252,188
Interest Income	18	(5,466)	(11,476)
Operating Loss before Working Capital Changes		8,871,631	(32,639,679)
Working Capital Changes:			
Decrease (increase) in:			
Receivables	2.6, 4	(17,072,629)	(28,620,605)
Inventories	2.8, 5	(2,591,933)	(10,912,960)
Other Current Assets	2.9, 6	(1,917,472)	(16,409,392)
Increase (decrease) in:			
Trade and Other Payables	2.13, 11	12,777,506	(20,271,775)
Cash used in Operating Activities		67,103	(108,854,411)
Interest Income Received	18	5,466	11,476
Income Tax Paid	2.15, 20	—	(1,298)
Net Cash used in Operating Activities		72,569	(108,844,233)
<i>Cash Flows from Investing Activities</i>			
Acquisition of Property and Equipment	2.10, 7	(21,784,638)	(26,294,517)
Additions to Construction in Progress	2.10, 8	(21,264,106)	(66,090,482)
Acquisition of Intangible Asset	2.11, 9	(2,988)	(2,337,500)
Payment of Deposit	10	—	—
Net Cash used in Investing Activities		(43,051,732)	(94,722,499)
<i>Cash Flows from Financing Activities</i>			
Proceeds from Issuance of Shares	2.18, 14	—	21,630,000
Proceeds from Issuance of Shares at above par	2.21, 14	46,800,000	115,200,000
Refund of Deposits for Future Stock Subscription	2.18, 14	—	(35,550,000)
Proceeds from Loans	2.17, 12	—	168,096,500
Finance Cost Paid	2.17, 12	(12,091,123)	(24,790,091)
Payment of Loans	2.17, 12	(375,000)	(13,601,594)
Net Cash provided by Financing Activities		34,333,877	230,984,816
Net increase in cash		(8,645,286)	27,418,084
Cash, Beginning Balance		28,375,724	957,640
<b>CASH, ENDING BALANCE</b>	2.4, 3	<b>19,730,438</b>	<b>28,375,724</b>

*See Notes to the Financial Statements*

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE INTERIM PERIOD ENDED JUNE 30, 2025

(All amounts are shown in Philippine Peso, unless otherwise stated)

### 1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

**ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** is a domestic stock corporation registered with the Philippines' Securities and Exchange Commission (SEC) on December 18, 2015 with the SEC Registration No. of CS201540355. The Company is governed by a Board of Directors (BOD) consisting of nine (9) individuals with Romeo A. Ong as the Chairman of the Board. The Company is a value-added tax (VAT) registered entity with the Bureau of Internal Revenue (BIR). The Corporation applied for Initial Public Offering (IPO)-Selling of Shares/Securities, which was approved with a Permit from the Securities and Exchange Commission (SEC) as of June 14, 2024.

The primary purpose of the Company is to establish maintain, operate, own, and manage hospitals, medical and related healthcare facilities and business such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo-hospitals, scientific research, and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical, or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The principal office of the Company is located at Don Alfaro St., Tetuan, Zamboanga City, Philippines. As of June 30, 2025, the Company has seventeen (17) key management personnel and fifty-two (52) employees.

#### Authorization for Issuance of the Financial Statements

The audited interim financial statements of the Company as at and for the 2<sup>nd</sup> quarter ended June 30, 2025 (with comparative figures as at December 31, 2024 and for the 2<sup>nd</sup> quarter ended June 30, 2024), were approved and authorized for issuance by the Board of Directors on August 1, 2025.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Company is required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the interim financial statements. These policies shall be consistently applied to all periods presented, unless otherwise stated.

#### Basis of Presentation

The interim financial statements have been prepared by **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** under the historical cost convention basis and are presented in Philippine Peso (Php), which is also the Company's functional currency. The Company uses the calendar year accounting period and adopts the accrual basis of accounting. The end of the Company's reporting period is on December 31. All values are rounded to the nearest peso, except when otherwise indicated.



## **Statement of Compliance**

The preparation of financial statements in conformity with the Philippine Financial Reporting Standards (PFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The interim financial statements have been prepared in conformity with PFRS, which include all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA), and adopted by SEC. These are based on the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The principal accounting and financial reporting policies adopted in preparing the Company's financial statements are as follows:

### **Adoption of New Interpretations, Revisions, and Amendments to PFRS**

#### **Changes in Accounting Policies and Disclosures**

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which were not adopted as of December 31, 2024. Except as otherwise indicated, the adoption of these new accounting standards and amendments have no material impact on the Company's financial statements.

The nature and the impact of each new standard and amendment are described below:

- **Amendments to PAS 1, Presentation of Financial Statements**

The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Only covenants with which an entity must comply on or before the reporting date affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date. However, disclosure about covenants is now required to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify that the transfer of an entity's own equity instruments is regarded as settlement of a liability, in certain circumstances. If a liability has any equity conversion options, they generally affect its classification as current or noncurrent (e.g. if the conversion option is bifurcated as an embedded derivative from the host debt), unless

these conversion options are recognized as equity under PAS 32, *Financial Instruments: Presentation*.

The Company has assessed its liabilities in accordance with the amendments to PAS 1, "Classification of Liabilities as Current or Non-current." The classification of liabilities reflects the Company's substantive rights to defer settlement as of the reporting date, irrespective of future events or management intentions. The interim financial statements present liabilities as current or non-current based on the clarified principles outlined in the amendments, ensuring compliance with applicable accounting standards.

- Amendments to PFRS 16, *Leases*

These amendments include requirements for sale and leaseback transactions in PFRS 16, *Leases* to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Lease Liability in a Sale and Leaseback (Amendments to PFRS 16, *Leases*) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* to sale and leaseback transactions entered into after the date of initial application.

Adoption of this amendment will not have any impact on the interim financial statements of the Company.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures—Supplier Finance Arrangements*

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

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

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

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

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Adoption of this amendment will not have any impact on the interim financial statements of the Company.

#### **Standards/Amendments Issued but Not Yet Effective**

Standards and amendments issued but not yet effective up to the date of issuance of the company financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Unless otherwise stated, the Company intends to adopt these standards when they become effective.

##### *Effective January 1, 2025*

- PFRS 17, Insurance Contracts

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

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

The core of PFRS 17 is the general model, supplemented by:

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

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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.



Adoption of the standard when it becomes effective will not have any impact on the interim financial statements of the Company.

- Amendments to PFRS 17, Insurance Contracts

The amendment adds a transition option for a classification overlay to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of PFRS 17. The amendments would be available for:

- any financial assets, including those held in respect of an activity that is unconnected to contracts within the scope of PFRS 17; and
- both entities that initially apply PFRS 9 at the same time as they apply PFRS 17, and entities that had already applied IFRS 9 before the initial application of PFRS 17 where those entities redesignate financial assets applying paragraph C29 of PFRS 17.

The transition option would:

- be available, on an instrument-by-instrument basis;
- allow an entity to present comparative information as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset, but not require an entity to apply the impairment requirements of PFRS 9; and
- require an entity that applies the classification overlay to a financial asset to use reasonable and supportable information available at the transition date to determine how the entity expects that financial asset to be classified applying PFRS 9.

The amendment does not amend the transition requirements in PFRS 9. At the date of initial application of IFRS 9, an entity is required to apply the transition requirements in IFRS 9 to a financial asset, regardless of whether it has applied the classification overlay to that asset.

The amendment in PFRS 17 is effective for reporting periods beginning on or after January 1, 2025. Early application is permitted.

Adoption of the standard when it becomes effective will not have any impact on the interim financial statements of the Company.

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*

PAS 21 sets out the exchange rate that an entity uses when it reports foreign currency transactions in the functional currency or translates the results of a foreign operation in a different currency. Until now, PAS 21 set out the exchange rate to use when exchangeability between two currencies is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

On 15 August 2023, the IASB issued amendments to IAS 21 to help entities:

- assess exchangeability between two currencies; and
- determine the spot exchange rate, when exchangeability is lacking

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments include accompanying new disclosures to help investors to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable. The new requirements will be effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted.

Adoption of this amendment when it becomes effective will not have any impact on the interim financial statements of the Company.

*Effective January 1, 2026*

- *Annual Improvements to PFRS Accounting Standards – Volume 11*

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards – Volume 11' addressing non-urgent (but necessary) minor amendments to the following standards:

- IFRS 1, *First-time Adoption of International Financial Reporting Standards* - Hedge accounting by a first-time adopter
- IFRS 7, *Financial Instruments: Disclosures* - Gain or loss on derecognition
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* - Disclosure of deferred difference between fair value and transaction price and Introduction and credit risk disclosures
- IFRS 9, *Financial Instruments* - Derecognition of lease liabilities and transaction price
- IFRS 10, *Consolidated Financial Statements* - Determination of a 'de facto' agent
- IAS 7, *Statement of Cash Flows* - Cost method

This set of amendments addresses minor issues identified in various PFRS standards, aiming to enhance clarity and consistency in financial reporting. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted.

Adoption of this amendment when it becomes effective will not have any impact on the interim financial statements of the Company.

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

The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date.

Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI.

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only.

Adoption of this amendment when it becomes effective will not have any impact on the interim financial statements of the Company.

*Effective January 1, 2027*

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

On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or losses is defined. The new disclosures required for some management-defined performance measures will also enhance transparency.

- **Structure of the statement of profit or loss**

IFRS 18 introduces a defined structure for the statement of profit or loss. The goal of the defined structure is to reduce diversity in the reporting of the statement of profit and loss, helping users of financial statements to understand the information and to make better comparisons between companies. The structure is composed of categories and required subtotals:

- **Categories:** Items in the statement of profit or loss will need to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 provides general guidance for entities to classify the items among these categories – the three main categories are: Operating Category, Investing Category, and Financing Category.
- **Required subtotals:** IFRS 18 requires entities to present specified totals and subtotals: the main change relates to the mandatory inclusion of 'Operating profit or loss'. The other required subtotals are 'Profit or loss' and 'Profit or loss before financing and income taxes', with some exceptions (for example, where a bank has financing as a main business activity and has made specific presentation choices).

- **Disclosures related to the statement of profit or loss**

IFRS 18 introduces specific disclosure requirements related to the statement of profit or loss:

- **Management-defined performance measures:** Management might define its own measures of performance, sometimes referred to as 'alternative performance measures' or 'non-GAAP measures'. IFRS 18 defines a subset of these measures which relate to an entity's financial performance as management-defined performance measures ('MPMs'). Information related to these measures should be disclosed in the interim financial statements in a single note, including a reconciliation between the MPM and the most similar specified subtotal in IFRS Accounting Standards. This will effectively bring a portion of non-GAAP measures into the interim financial statements.
- **Disclosure of expenses by nature, for entities that present the statement of profit or loss by function:** Entities will present expenses in the operating category by nature, function or a mix of both. IFRS 18 includes guidance for entities to assess and determine which approach is most appropriate, based on the facts and circumstances. Where items are presented by function, an entity is required to disclose information by nature for specific expenses.

- Aggregation and disaggregation (impacting all primary financial statements and notes)

IFRS 18 provides enhanced guidance on the principles of aggregation and disaggregation which focus on grouping items based on their shared characteristics. These principles are applied across the interim financial statements, and they are used in defining which line items are presented in the primary financial statements and what information is disclosed in the notes.

- Other limited changes

IFRS 18 will make some other limited changes to presentation and disclosure in the interim financial statements. For example, IAS 7, 'Statement of cash flows', is amended to:

- specify 'operating profit or loss' as the starting point for reconciling cash flows from operating activities; and
- remove the existing options for the presentation of interest and dividends paid and received.

The new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and so comparative information needs to be prepared under IFRS 18.

The Company will implement the standard upon its effective date.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 provides updated guidance on accounting for subsidiaries without public accountability. The standard aims to improve consistency and comparability in financial reporting for such subsidiaries by offering detailed disclosure requirements. It is effective for annual periods beginning on or after January 1, 2027.

Adoption of this amendment when it becomes effective will not have any impact on the interim financial statements of the Company.

## Material Accounting Policy Information

### 2.1 Revenue Recognition

Revenue is income arising in the course of the Company's ordinary activities comprising of increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

The Company's revenues mainly come from hospital services and room fees, pharmacy sales, laboratory fees and vaccine sales. As such, the revenues can be categorically grouped into sales of goods (pharmacy sales) and rendering of services (hospital services and room fees, laboratory fees and vaccine sales).

#### *Revenue from Contracts with Customers*

The Company recognizes revenue from contracts with customers based on the transfer of promised goods in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

This is delivered in a five-step model framework:

*Step 1: Identifying the contracts*

*Step 2: Identifying the performance obligations*

*Step 3: Determining the transaction price*

*Step 4: Allocating the transaction price to each performance obligation*

*Step 5: Recognizing revenue when each performance obligation is satisfied*

The Company shall recognize revenue when the performance obligation is satisfied over time.

Revenue is recognized only if the Company's progress towards the complete satisfaction of the performance obligation can be reasonably measured. If the outcome of a performance obligation cannot be reliably measured but the Company expects to recover the costs incurred in satisfying the performance obligation, revenue shall be recognized only to the extent of the cost incurred until such time that the outcome of the performance obligation can be reliably measured.

The Company uses output method for measuring progress towards complete satisfaction of its performance obligations. Output method recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract.

The Company has a right to consideration from its customers in an amount that corresponds directly with the value of the Company's performance completed to date. Therefore, the Company recognizes revenue in the amount to which the Company has a right to invoice.

When a performance obligation is satisfied, the Company shall recognize as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

When the customer pays the consideration, before the Company renders the service to the customer, the Company presents the contract as a contract liability in the statement of financial position when the payment is made or the payment is due (whichever is earlier). On the other hand, if the Company renders the services to the customer before the customer pays the consideration or before payment is due, the Company presents the contract as a contract asset. The Company shall present any unconditional rights to consideration separately as a receivable.

As of June 30, 2025 and December 31, 2024, the Company has no performance obligations that are unsatisfied or partially unsatisfied. Additionally, there were no considerations from contracts that were not included in the transaction price.

The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. As of June 30, 2025 and December 31, 2024, no asset has been recognized in accounting incremental costs of obtaining a contract or costs to fulfill a contract.

The Company elects to use the practical expedient in recognizing the incremental costs of obtaining a contract, if any. Such costs are recognized as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one (1) year or less.

Under the EOPT Act, all revenues are recognized net of VAT. The mandatory issuance of VAT invoices for sales of goods or services aligns revenue recognition with the accrual method prescribed under the new law.

## 2.2 Cost of Revenues

Cost of revenues is composed of the costs directly related to the sale of the goods and services of the Company. It includes the cost of the goods sold and the freight to obtain the goods, direct labor, and direct overhead. The cost of revenues is presented in the statement of comprehensive income as deduction to its related revenue account and recognized when the goods are sold and the services are rendered to the patients.

## 2.3 Operating Expenses

Operating expenses are the general and administrative expenses of the Company, normally incurred in the daily operations and in administering the business such as depreciation, professional fees, office supplies, taxes and licenses, readers' fee, and others that are recognized when incurred during the year.

## 2.4 Cash

Cash consists of cash on hand and cash in bank. Bank overdrafts, if any, are shown within borrowings as current liabilities in the statement of financial position.

As of June 30, 2025 and December 31, 2024, the Company has no cash equivalents and bank overdrafts.

## 2.5 Contract Assets

A contract asset is the Company's right to consideration in exchange for the goods and/or services transferred to a customer. Contract asset is recognized when the Company already transferred its promised goods and/or services to the customer before the customer pays consideration or before payment is due, with payment subject to condition other than passage of time.

The Company assesses at each statement of financial position date whether there is objective evidence that the contract asset is impaired. A contract asset is deemed to be impaired as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the contract asset that can be reliably estimated.

The Company applies the simplified approach for impairment, in accordance with PFRS 9, *Financial Instruments*. The Company measures the loss allowance of the contract asset at an amount equal to lifetime expected credit loss.

As of June 30, 2025 and December 31, 2024, the Company has no contract assets recorded due to non-operation.

## 2.6 Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The Company initially measures receivables at fair value plus transaction costs that are directly attributable. For receivables that do not contain a significant financing component, initial recognition is measured at transaction price. Receivables are subsequently measured at amortized cost using the effective interest method.

The carrying amount of the asset is reduced through the use of an allowance account with the amount of the provision for the probable loss recognized in the statement of comprehensive income. When the receivable becomes uncollectible, it is written-off against the allowance account for probable losses. Further details about the Company's impairment policies and loss allowance are provided in the note for the financial instrument.

For the interim period ended June 30, 2025 and year ended December 31, 2024, no accounts were written-off.

## 2.7 Financial Instruments

Financial instruments are any contracts which give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the financial asset.

### *Initial Recognition*

The Company shall recognize a financial asset or a financial liability in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

### *Initial Measurement of Financial Instruments*

The Company shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

### *Classification and Subsequent Measurement of Financial Instruments*

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Company shall classify financial assets as subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss on the basis of both: the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (fair value through profit or loss) or recognized in other comprehensive income (fair value through other comprehensive income). Management determines the classification of its instruments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every statement of financial position.

Financial assets that are held for collection of contractual cash flows, where those contractual cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method.

Financial assets that are held for both collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

Financial assets that do not meet the criteria for amortized cost and fair value through other comprehensive income are measured at fair value through profit or loss.

As of June 30, 2025 and December 31, 2024, the Company does not hold any financial assets measured at fair value through profit or loss and fair value through other comprehensive income.

Additionally, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows represent solely payments of principal and interest.

As of June 30, 2025 and December 31, 2024, the Company does not hold any financial assets with embedded derivatives.

Financial liabilities have two measurement categories: fair value through profit or loss and amortized cost. Financial liabilities held for trading are measured at fair value through profit or loss and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

All equity investments are to be measured at fair value in the statement of financial position, with value changes recognized in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income.' There is no 'cost exception' for unquoted equities.

#### *Determination of Fair Value*

The fair value for financial instruments traded in active markets at statement of financial position date is measured based on a fair value hierarchy. For level 1, the fair value is the quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date. If level 1 is not available, level 2 is used, that is, the inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. If level 1 and level 2 are not available, level 3 is used for estimating the fair value, that is, the unobservable inputs for the asset or liability.

For all other financial instruments not listed in an active market, if any, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. The fair value of equity instruments is reliably measurable if the variability in the range of various estimates is not significant, or if the probabilities of the various estimates can be reasonably assessed. If these conditions are not met, the Company is precluded from measuring the instrument at fair value, and the instrument is carried at cost (less impairment) defined as carrying amount at the last day when the instrument was reliably measurable.



#### *Reclassification of Financial Instruments*

For financial assets, reclassification is required between fair value through profit or loss, fair value through other comprehensive income, and amortized cost, if and only if, the Company's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Company does not restate any previously recognized gains, losses, or interest. The Company is not allowed to reclassify any financial liability or for equity investments measured at fair value through other comprehensive income. The Company reclassifies debt investments when, and only when, its business model for managing those assets changes.

For the interim period ended June 30, 2025 and year ended December 31, 2024, the Company has not reclassified any financial assets.

#### *Impairment of Financial Assets*

There is no special accounting for impairment loss on financial assets measured at fair value. This is because all subsequent changes in fair value on these financial assets are recognized as unrealized gains or losses in profit or loss or in other comprehensive income. Only financial assets subsequently measured at amortized cost have a special accounting for impairment.

The Company assesses the forward-looking information on macroeconomic factors that affects the credit risk of the financial assets as the basis of its expected credit loss. The Company recognizes an allowance for probable losses for such expected losses at each reporting date. The allowance for probable losses is recognized for all debt instruments not held at fair value through profit or loss.

The allowance for probable losses is an estimate of the debt that the counterparty debtor is unlikely to recover. It is a contra-asset account and any increase or decrease to the allowance for probable losses is also recorded in the statement of comprehensive income as provision for probable losses.

PFRS 9, *Financial Instruments*, requires the impairment model for other financial assets using the approach discussed below:

#### *Simplified Approach for Trade Receivables and Contract Assets*

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of twenty-four (24) months before June 30, 2025 and December 31, 2024, respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Philippine Gross Domestic Product (GDP) and inflation

rate to be the most relevant macroeconomic factors and adjusts the historical loss rates based on expected changes in these factors.

#### *General approach*

The Entity shall recognize a loss allowance for expected credit losses on a financial asset that is measured at amortized cost or fair value through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument at the reporting date has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Impairment of financial assets is recognized in stages: Stage 1—as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognized in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses). Stage 2—if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognized in profit or loss. The calculation of interest revenue is the same as for Stage 1. Stage 3—if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (i.e. the gross carrying amount less the loss allowance). Financial assets in Stage 3 will generally be assessed individually. Lifetime expected credit losses are recognized on these financial assets.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets such as trade receivables and contract assets for which simplified approach was used. The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless it is part of a hedging relationship, an investment in an equity instrument and the Company has elected to present gains and losses on that investment in other comprehensive income, a financial liability designated as at fair value through profit or loss and the Company is required to present the effects of changes in the liability's credit risk in other comprehensive income or a financial asset measured at fair value through other comprehensive income.

#### *Derecognition of Financial Assets*

The Company derecognizes its financial asset when the contractual rights to receive cash flows from the financial asset have expired or when it transfers the financial asset either through transferring the rights to receive cash flows or assuming the contractual obligation to pay cash flows to other recipients in full without material delay to a third party under a "pass-through" arrangement.

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

#### *Derecognition of Financial Liabilities*

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

#### *Transfers of Financial Assets*

The Company transfers all or a part of a financial asset (the transferred financial asset) if, and only if, it either transfers the contractual rights to receive the cash flows of that financial asset or it retains the contractual rights to receive the cash flows of that financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

The Company has continuing involvement in a transferred financial asset if, as part of the transfer, the Company retains any of the contractual rights or obligations inherent in the transferred financial asset or obtains any new contractual rights or obligations relating to the transferred financial asset.

For the interim period ended June 30, 2025 and year ended December 31, 2024, the Company did not transfer any of its financial assets. Thus, there were no gains or losses recognized for the years then ended.

#### *Offsetting of Financial Instruments*

Financial assets and financial liabilities can be offset with the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### *Hedge Accounting*

All derivatives, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognized in profit or loss unless the Company has elected to apply hedge accounting by designating the derivative as a hedging instrument in an eligible hedging relationship. If certain eligibility and qualification criteria are met, hedge accounting allows the Company to reflect risk management activities in the interim financial statements by matching gains or losses on financial hedging instruments with gains or losses on the risk exposures (i.e. credit risk, liquidity risk, and market risk) they hedge.

In order to qualify for hedge accounting, the hedge relationship must meet the following effectiveness criteria at the beginning of each hedged period: (a) there is an economic

relationship between the hedged item and the hedging instrument, (b) the effect of credit risk does not dominate the value changes that result from that economic relationship, and (c) the hedge ratio of the hedging relationship is the same as that actually used in the economic hedge. If the Company elected to apply hedge accounting by designating the derivative as a hedging instrument, it would apply the accounting for qualifying hedging relationships such as fair value hedge, cash flow or hedge of a net investment in a foreign operation.

As of June 30, 2025 and December 31, 2024, the Company has no derivatives designated as hedging instruments. Thus, the Company did not apply hedge accounting for the years then ended.

## 2.8 Inventories

Inventories are assets that are held for sale in the ordinary course of business or in the form of materials and supplies to be consumed in rendering of services.

Inventories are initially measured at cost. The cost of inventories includes all costs of purchase, costs of conversion, costs of production, and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises the purchase price, import duties and other taxes, and transport, handling, and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production, such as direct labor. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The costs of production of inventories consist primarily of the labor and other costs of personnel directly engaged in providing the service, including supervisory personnel, and attributable overheads. Labor and other costs relating to sales and general administrative personnel are not included but are recognized as expenses in the period in which they are incurred.

Inventories are subsequently carried at the lower of cost and market value. The Company uses the 'First in, First Out' (FIFO) cost formula to measure the cost of inventories. When inventories are sold, the carrying amount is recognized as an expense in the period in which the related revenue is recognized. This pertains to the cost of revenue which is expensed as incurred.

### *Impairment of Inventories*

At each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its market value. If inventories are impaired, the Company reduces the carrying amount to its market value. Market value is determined as the probable selling price to willing buyers as of reporting date. That reduction is an impairment loss and it is recognized immediately in profit or loss.

When the circumstances that previously caused inventories to be impaired no longer exist, or when there is clear evidence of an increase in market value because of changed economic circumstances, the Company shall reverse the amount of the impairment so that the new carrying amount is the lower of the cost and the revised market value.

As of June 30, 2025 and December 31, 2024, no inventories were pledged as security for liabilities. Also, there were no impairment losses or write-down of inventories, and reversals thereof, for the years then ended.

#### 2.9 Other Current Assets

Current assets represent assets that can reasonably be expected to be realized for no more than twelve (12) months after the reporting date. Otherwise, they are classified as noncurrent assets.

##### *Input VAT Carry-Over*

Input VAT carry over occurs when input VAT exceeds output VAT. The excess shall be carried over to the next calendar year.

##### *Advances to Suppliers*

This account refers to the amount that has been paid to suppliers in advance for goods and services that are to be purchased at a later date.

#### 2.10 Property and Equipment

Property and equipment are tangible assets that:

- a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- b) are expected to be used during more than one period.

The Company shall initially measure an item of property and equipment at its cost. This is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

The initial cost of property and equipment consists of its purchase price net of trade discounts and rebates, including import duties and non-refundable purchase taxes plus any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use plus any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

##### *Subsequent Measurement*

After initial recognition, the Company shall measure all items of property and equipment, except land, at cost less accumulated depreciation and any impairment losses. Land and non-depreciable land improvements are shown at cost less any impairment in value.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The following are the Company's property and equipment with their estimated useful life:

Container Van and Vehicles	10 years
Office and Other Equipment	5 years
Furniture and Fixtures	10 years
Medical Equipment and Fixture	10 years

As land does not have a finite useful life, related carrying amounts are not depreciated. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Company. The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date. This is to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Presently, the Company has a building under construction. The construction is estimated to be completed in the years to come. Depreciation on the said asset shall commence once the asset is available for use. This asset is classified as Construction in Progress under noncurrent assets in the statement of financial position.

Construction in progress is a long-term asset account in which the costs of constructing long-term assets are recorded. The account is reported in the statement of financial position.

The costs of a constructed asset are accumulated until the asset is placed into service. When the asset is completed and placed into service, the account construction in progress will be credited for the accumulated costs of the asset and will be debited to the appropriate property and equipment account. Depreciation begins after the asset has been placed into service.

#### *Derecognition*

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are eliminated from the accounts and any resulting gain or loss from the disposal is credited or charged to current operations.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

When property and equipment are retired, or otherwise disposed of, the cost and the accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

As of June 30, 2025 and December 31, 2024, the Company has no contractual commitments to acquire property, plant and equipment and has not received compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in the statement of comprehensive income.

For the interim period ended June 30, 2025 and year ended December 31, 2024, the Company has no acquisitions of property, plant and equipment through business combination, and there are no temporarily idle property, plant and equipment identified. Additionally, there are no items in property, plant and equipment account whose fair value is materially different from its carrying amount.

## 2.11 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. The critical attributes of an intangible asset are: (a) identifiability, (b) control and (c) future economic benefits.

An intangible asset is identifiable when it is capable of being separated and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company or from other rights and obligations. The definition of an intangible asset requires an intangible asset to be identifiable to distinguish it from goodwill.

### *Recognition*

An intangible asset is recognized if, and only if it is probable that the future economic benefits that are attributable to the asset will flow to the Company, the cost of the asset can be measured reliably, and the asset does not result from expenditure incurred internally on an intangible item.

### *Initial Measurement*

Intangible assets are initially measured at cost. This is the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

Expenditure on an intangible item that was initially recognized as an expense shall not be recognized at a later date as part of the cost of an asset.

### *Subsequent Measurement*

The Company's intangible asset pertains to its hospital software. After initial recognition, the Company shall measure intangible assets using the cost model to subsequently measure its intangible assets, which is cost less any accumulated amortization and accumulated impairment losses, if any. The useful life is 10 years, subject to renewal. Amortization of intangible assets is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method.

Amortization begins when the intangible asset is available for use. The amortization charge for each period shall be recognized as an expense in the statement of comprehensive income. Amortization ceases when the asset is derecognized.

Marketing and advertising costs, as well as the royalties paid, are charged to the statement of comprehensive income as incurred.

### *Retirements and Disposals*

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The cost and the related accumulated amortization and impairment losses, if any, are removed from the accounts, and the resulting gain or loss arising from the retirement or disposal is recognized in the profit or loss.

As of June 30, 2025 and December 31, 2024, the Company has no intangible asset to which the Company has restricted title or that is pledged as security for liabilities or used as



collateral. The Company also has not entered into any relevant contractual commitments pending as of year-end.

#### 2.12 Impairment of Assets

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. At each end of the reporting period, the Company assesses whether there is any indication that its tangible assets may be impaired. When an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

For the interim period ended June 30, 2025 and year ended December 31, 2024, there were no impairment losses and reversals of impairment losses of assets recognized.

#### 2.13 Trade and Other Payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. These payables arise from past transactions and events, the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

Trade and other payables are recognized initially at transaction price including transaction costs. Due to the short-term maturity of the accounts and an absence of a significant financing component, the payables are classified as current liabilities and subsequently measured at the undiscounted amount of the cash expected to be paid.

#### 2.14 Contract Liabilities

A contract liability is the Company's obligation to transfer goods and/or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

If a customer pays consideration, or has a right to an amount of consideration that is unconditional (i.e. a receivable), before Company transfers the promised good to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due, whichever is earlier.

As of June 30, 2025 and December 31, 2024, the Company has no recorded contract liability.

#### 2.15 Income Tax

Income taxes include all domestic and foreign taxes that are based on taxable profit. Income tax also includes taxes such as withholding taxes, that are payable by a subsidiary, associate, or joint venture on distributions to the reporting entity.



#### *Current Income Tax*

The amount of income tax payable (recoverable) in respect of the taxable profit (loss) for a period is the current tax expense. This is also the amount of tax required to be paid to the BIR. Any unpaid current tax for the current and prior periods is recognized as a liability as 'income tax payable' in the statement of financial position under current liabilities. If the amount paid for the current and prior periods exceeds the amount payable for those periods, the excess is recognized as a current tax asset presented in a separate line item in the statement of financial position. When a tax loss is used to recover current tax of a previous period, the Company recognizes the benefit as an asset in which the tax loss occurs because it is probable that the benefit will flow to the Company and the benefit can be reliably measured.

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using tax rates and tax laws that have been enacted by the end of the reporting period.

#### *Deferred Income Tax*

Deferred tax is provided, using the asset-liability method or also called as the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are the amounts of income tax payable in the future periods in respect of deductible temporary differences, the carry-forward of unused tax losses and the carry-forward of unused tax credits. On the other hand, deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable temporary differences. Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. It may either be taxable temporary differences or deductible temporary differences.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. When different tax rates apply to different levels of taxable income, deferred tax assets and deferred tax liabilities are measured using the average rates that are expected to apply to the taxable profit (loss) of the periods in which the temporary differences are expected to reverse.

The measurement of the deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

Deferred tax expense (benefit) represents the net changes in the deferred tax liabilities and deferred tax assets during the period. If the increase in deferred tax liabilities exceeds the increase in deferred tax assets, the difference is referred to as deferred tax expense. Otherwise, the difference will be referred to as deferred tax benefit.

#### *Offsetting of Current and Deferred Income Tax*

Current tax assets and current tax liabilities can only be offset in the statement of financial position if the Company has the legal right and the intention to settle on a net basis.

On the other hand, deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the Company has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time.

#### **2.16 Employee Benefits**

Employee benefits are all forms of consideration given by the entity to its employees in exchange for services rendered or for the termination of employment. It is categorized as short-term employee benefits, termination benefits, post-employment benefits and other long-term benefits.

##### *Short-term Employee Benefits*

Short-term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the current employees render the related services (such as wages, salaries, SSS contributions, paid annual and sick leave, and bonuses). The entity shall recognize the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service either as an expense or a liability, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognize that excess as an asset.

The law mandates certain contributions that should be provided by an employer to his employees, namely contributions to: (1) the Social Security System, (2) PhilHealth and (3) Pag-IBIG Fund.

The Social Security System (SSS) provides the following benefits to employees, in addition to its Loan Programs: Sickness, Maternity, Disability, Death/Funeral and Retirement benefits. So long as an employer has employees who are below sixty (60) years old, the employer is mandated to remit to the SSS, as employer's contribution, approximately 60% of the total monthly SSS contribution for each employee.

Once an employer/employee is a member of the SSS, he is also a member of the PhilHealth program. The contribution to the PhilHealth is shared by the employer and employee equally.

Finally, all SSS members who are earning at least five thousand pesos (Php5,000) are also required to become a member of the Pag-IBIG Fund, which is basically a savings and loan association. Just like the PhilHealth program, the employers and employees share the monthly contribution equally with a minimum of one hundred pesos (Php100) each per month.

Salaries and wages given to employees are based on the minimum wage and are reviewed periodically to determine its adequacy and to determine possible increase. In addition, the Labor Code of the Philippines provides for the payment of a 13th month of salary or a proportionate amount, in case employees render service for a fraction of a year during the current period.

The Philippine Labor Code also mandates the granting of vacation leave and sick leave, which are known as compensated absences. They are called compensated absences because employees receive compensation for their absences during the period covered by their leave.

Female employees are also entitled maternity leave for a period provided in the Labor Code. Male employees, on the other hand, are granted paternity leave when their spouses give birth.

Liabilities and payments with regards to short-term employee benefits are recognized as expenses when the employees have rendered service entitling them to such benefits.

#### *Termination Benefits*

Since termination benefits do not provide an entity with future economic benefits, a company shall recognize them as an expense in profit or loss immediately.

The Company shall recognize termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date; or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Company shall measure termination benefits at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

When the termination benefits are due more than twelve months after the end of the reporting period, they shall be measured at their discounted present value.

Presently, the Company has not yet recognized any termination benefits because there were no authorized causes for termination such as installation of labor-saving devices, redundancy, retrenchment, closure or cessation of business, or incurable disease.

#### *Post-employment Benefits*

Post-employment benefits are employee benefits other than termination benefits and short-term employee benefits that are payable after the completion of employment. Post-employment benefits are formal or informal arrangements under which the Company provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions. For defined contribution plans, the Company shall recognize the contribution payable for a period as a liability, after deducting any amount already paid. If contribution payments exceed the contribution due for service before the reporting date, the Company shall recognize that excess as an asset or as an expense.

For defined benefit plans, the Company shall recognize a liability for its obligations under defined benefit plans net of plan assets—its 'defined benefit liability' and recognizes the net change in that liability during the period as the cost of its defined benefit plans during the period.

Under Section 28 of PFRS, "Employee Benefits," the cost of defined retirement benefits, including those mandated under Presidential Decree No. 442, "Labor Code of the Philippines," as amended, and RA No. 7641, "Retirement Pay Law," should be determined using the accrued benefit valuation method or the projected benefit method. The law further stipulates that in the absence of a formal retirement plan or agreement providing for retirement benefits of employees in the Company, employees upon reaching the age of sixty (60) years or more, but not beyond sixty five (65) years which is declared to be the compulsory retirement age, who has served at least five (5) years in the Company, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. Unless the parties provide for broader inclusions, the term one-half (1/2) month salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves. The law likewise provides that retail, service and agricultural establishments or operations employing not more than ten (10) employees or workers are exempted from the coverage of the said law.

As of reporting date, the Company has not yet recognized any post-employment benefits obligation as its employees have yet to meet the minimum requirements set by the law that would entitle them to such benefits.

#### 2.17 Borrowings and Borrowing Costs

Borrowings are recognized initially at fair value which is its transaction price equivalent to the present value of the payable including transaction costs. Borrowings are subsequently stated at amortized cost.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Other borrowing costs are recognized as expense in the period in which they are incurred.

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. That could be property, plant, and equipment during the construction period, intangible assets during the development period, or "made-to-order" inventories.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of the borrowing costs applicable to the general pool.

Capitalization would commence when expenditures are being incurred, borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress (this may include some activities prior to commencement of

physical production). Capitalization would be suspended during periods in which active development is interrupted. Capitalization would cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities necessary to prepare that part for its intended use or sale are complete.

#### 2.18 Deposit for Future Stock Subscription

Deposit for future stock subscriptions refer to the payments made by the shareholders of the Company on subscription to the increase in the authorized share capital which cannot be directly credited to share capital issued, pending approval by the SEC of the amendment to the Articles of Incorporation for the increase in share capital. Under the Financial Reporting Bulletin 006, as revised in 2017, the Company should not consider a deposit for future stock subscription as an equity instrument unless all of the following elements are present:

- a) The unissued authorized capital of the Company is insufficient to cover the amount of shares indicated in the contract;
- b) There is a Board of Directors' approval on the proposed increase in authorized share capital (for which a deposit was received by the Company);
- c) There is shareholders' approval of said proposed increase; and
- d) The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

#### 2.19 Share Capital

Share capital is the amount fixed in the Articles of Incorporation to be subscribed and paid in or secured to be paid in by the shareholders of the corporation, either in money or property or services, at the organization of the corporation, or afterwards and upon which the corporation is to conduct its operations.

Share capital is measured at par value for all shares issued. When the Company issues more than one class of share capital, a separate account is maintained for each class of share capital and the number of shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "additional paid-in capital" account. Incremental costs incurred directly attributable to the issuance of new shares are shown in the equity as deduction from proceeds, net of tax.

A preferred stock is a class of ownership that has a higher claim on its assets and earnings than common stock. Preferred shares have a dividend that must be paid out before dividends to common shareholders. These shares usually do not carry voting rights.

Ordinary shares or common shares shall be entitled to receive dividends as may be declared after the requirements with respect to preferential dividends on preferred shares have been met. After distribution in full of the preferential amounts to be distributed to the holders of preferred shares in event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Company, the holders of commons shares shall be entitled to receive all remaining assets of the Company for whatever kind available for distribution to shareholders ratably proportion to the number of common shares held by them respectively. Except as may be otherwise required by law or by Articles of

Incorporation, each holder of common shares shall have one vote in respect of each share held.

Founder's shares are shares exclusively issued to the originators of the Company. The holders of these shares have the exclusive right to vote and be voted upon in the election of directors for a limited period not to exceed five (5) years from the date of incorporation.

#### *Subscribed share capital*

Subscribed share capital is part of the authorized share capital which has been sold, whether paid or not by shareholders and is measured at par value.

#### *Subscription receivable*

Subscription receivable is the portion of issued share capital that remained unpaid as of reporting date. This is presented as part of the current assets if maturity is within twelve (12) months from the financial reporting period. Otherwise, it is presented as a deduction from equity.

### 2.20 Retained Earnings

Retained earnings represents the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments, if any. When retained earnings account has a debit balance, it is called "deficit." A deficit is not an asset but a deduction from equity.

#### *Appropriated Retained Earnings*

These pertain to the restricted portion of the Company's accumulated profits that are appropriated for Company and capital expenditures.

#### *Unappropriated Retained Earnings*

These pertain to the unrestricted portion of the Company's accumulated profits that are available to meet current operational needs.

### 2.21 Additional Paid-In Capital

Additional paid-in-capital represents the excess paid by a shareholder over and above the par-value of a share issued and is included in the shareholders' equity section of the Corporation's statement of financial position.

### 2.22 Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the interim financial statements in the period in which the dividends are approved by the Company's shareholders.

### 2.23 Prior Period Errors

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



mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts and fraud.

Prior period errors must be corrected retrospectively in the interim financial statements. Retrospective application means the correction affects only prior period comparative figures. Current period amounts are unaffected.

Where impracticability impairs a Company's ability to correct an accounting error retrospectively from the earliest prior period presented, the correction must be applied prospectively from the beginning of the earliest period feasible.

#### 2.24 Related Party Transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals are also considered related parties.

Transactions between related parties recorded in the books of the Company as "Due to/from Related Parties." In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

#### 2.25 Basic Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The computation for loss per share for the interim period ended June 30, 2025 and year ended December 31, 2024 are as follows:

	6/30/2025	12/31/2024
Net Loss	(9,981,677)	(52,592,832)
Divided By: Weighted Average Ordinary Outstanding Shares*	316,815	316,815
Loss per Share	(31.51)	(166.00)

*\*Ordinary Outstanding Shares pertain to Common and Founder Shares issued.*

#### 2.26 Provisions and Contingencies

Provisions are liabilities of uncertain timing or amount. The Company recognizes provisions if, and only if: (a) a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), (b) payment is probable and (c) the amount can be estimated reliably.

An obligating event is an event that creates a legal or constructive obligation and, therefore, results in the Company having no realistic alternative but to settle the obligation. A constructive obligation arises if past practice creates a valid expectation on the part of a third party.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that the Company would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party. In reaching its best estimate, the Company should take into account the risks and uncertainties that surround the underlying events. If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognized as a separate asset, and not as a reduction of the required provision, when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

Contingent liabilities are possible obligations depending on whether some uncertain future event occurs or present obligations but payment is not probable or the amount cannot be measured reliably. A possible obligation (a contingent liability) is disclosed but not accrued. However, disclosure is not required if payment is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets should not be recognized but should be disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

As of June 30, 2025 and December 31, 2024, the Company has no provisions or contingencies.

#### 2.27 Events After the End of the Reporting Period

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the interim financial statements are authorized for issue. Post year-end events that provide additional information about the position of the Company at the end of the reporting period (adjusting events) are reflected in the interim financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the interim financial statements when material.

There were no events after the end of the reporting period that were material enough to require adjustments to the amounts shown on the face of the interim financial statements nor of the accompanying notes.

#### **Management's Use of Judgements and Estimates**

The preparation of the interim financial statements in conformity with Philippine Financial Reporting Standards requires management to make estimates and assumptions that affect certain reported amounts and disclosures. In preparing the interim financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. All estimates consider the changes introduced by the EOPT Act, particularly in tax computation and reporting methodologies. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of

relevant facts and circumstances as of the date of the interim financial statements. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly. The following are the key assumptions that have significant risk of material adjustment to the carrying amounts of assets and liabilities within the financial year.

*a) Estimating the Useful Lives of Property and Equipment*

The estimated useful life of each of the company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. However, information regarding technical evaluation of asset utilization and related industry benchmark on the anticipated use of similar assets may not always be available to management at the time of these estimates. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment and investment property would increase the recorded operating expenses and cost of sales and decrease noncurrent assets.

*b) Impairment of Property and Equipment*

An impairment review is performed when certain impairment indicators are present. If there is an indication of possible impairment, the recoverable amount of any affected property and equipment is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately on the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the property and equipment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the property and equipment in prior years. A reversal of impairment loss is recognized immediately on the statement of comprehensive income.

The determination of the value of property and equipment and other noncurrent assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the interim financial statements. Future events could cause the Company to conclude that property and equipment are impaired. Any resulting impairment loss could have a material impact on the financial condition and financial performance of the Company.

The preparation of the estimated future cash flows involves judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges under PFRS.

For the interim period ended June 30, 2025 and year ended December 31, 2024, there were no impairment losses and reversals of impairment losses of property and equipment recognized.

*c) Applicability of Deferred Tax Assets*

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustment is recognized in the statement of comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (loss) of the periods in which it expects the deferred tax asset to be realized, on the basis of the tax rates that have been enacted or substantively enacted by the end of the reporting period. A valuation allowance is provided, on the basis of past years and future expectations, when it is not probable that taxable profits will be available against which future income tax deductions can be utilized.

*d) Recognizing Revenue Over Time*

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Company fits into one of the above-stated criteria, and therefore recognized revenue over time in accordance with PFRS 15.

*e) Determining the Timing of Satisfaction of the Performance Obligation*

The Company's performance obligation at a point in time is satisfied upon the delivery of the goods to the customers as it is at this point that the customers obtain control of the promised goods due to the observance of the following indicators:

- a) The Company has a present right to payment for the goods. If a customer presently is obliged to pay for the goods, then that indicates that the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods in exchange.
- b) The customer has legal title to the goods. Legal title may indicate which party to a contract has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods or to restrict the access of other entities to those benefits. Therefore, the transfer of legal title of the goods indicates that the customer has obtained control of the goods. If the Company retains legal title solely as protection against the customer's failure to pay, those rights of the Company would not preclude the customer from obtaining control of the goods.
- c) The Company has transferred physical possession of the goods. The customer's physical possession of the goods indicates that the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods or to restrict the access of other entities to those benefits.
- d) The customer has the significant risks and rewards of ownership of the goods. The transfer of the significant risks and rewards of ownership of the goods to the customer indicates that the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods. However, when

evaluating the risks and rewards of ownership of a promised asset, the Company excludes any risks that give rise to a separate performance obligation in addition to the performance obligation to transfer the goods.

- e) The customer has accepted the goods. The customer's acceptance of the goods indicates that it has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods.

#### *h.) Determining the Transaction Price*

To determine the transaction price, the Company considered the terms of the contract and its customary business practices. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The Company also assumed that the goods will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified.

For the interim period ended June 30, 2025 and year ended December 31, 2024, no variable consideration, consideration payable to a customer, or obligations for returns, refunds and such were recognized. Also, the contracts had no significant financing component with only cash as the only form of consideration being accepted by the Company.

#### *i.) Allocating the Transaction Price to the Performance Obligation*

The objective when allocating the transaction price is for the Company to allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods to the customer. The Company has only one performance obligation, i.e. delivery of goods, and as such, no allocation of the transaction price was necessary.

#### *j.) Assets Recognized from the Costs to Obtain or Fulfill a Contract with a Customer*

The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

As of June 30, 2025 and December 31, 2024, no assets from the costs to obtain or fulfil the contracts with the customers were recognized. Moreover, the Company has elected to use the practical expedient in recognizing the incremental costs of obtaining a contract, if any. Such costs are recognized as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one (1) year or less.

#### *k.) Legal Contingency*

The estimate of probable costs for the resolution of possible claims has been developed in consultation with legal counsel handling the Company's defense in these matters and is based upon an analysis of potential results of the litigations; no provision for probable losses arising from legal contingencies was recognized in the interim financial statements in 2025 and 2024.

#### *l.) Judgments*

In the process of applying the Company's accounting policies, management exercised sound judgment including those involving estimates that has significant effect on the amounts recognized in the interim financial statements.

### 3. CASH

The cash account of the Company as of June 30, 2025 and December 31, 2024 are composed of the following:

	6/30/2025	12/31/2024
Cash in Bank	19,530,438	26,572,926
Cash on Hand	200,000	1,802,798
Cash	19,730,438	28,375,724

The Company's cash in bank as of June 30, 2025 and December 31, 2024 are broken down as follows:

	6/30/2025	12/31/2024
China Banking Corporation	8,937,592	1,046,194
Bank of the Philippine Islands	4,013,857	18,940,565
Land Bank of the Philippines	3,651,241	4,905,744
Rizal Commercial Banking Corporation	2,045,786	1,075,018
Metropolitan Bank & Trust Company	881,962	532,043
Development Bank of the Philippines	—	73,362
Cash in Bank	19,530,438	26,572,926

Cash in bank earns interest at prevailing bank deposit rates. Interest income earned in June 30, 2025 and December 31, 2024 amounted to Php5,466 and Php11,476 respectively. (See note 16, Other Income). The Company's cash are all unrestricted in use and free from any liens or encumbrances.

### 4. RECEIVABLES

The Receivables of the Company as of June 30, 2025 and December 31, 2024 are composed of the following:

	6/30/2025	12/31/2024
Receivables from PhilHealth	35,235,578	18,761,477
Receivables from Department of Health	8,312,004	—
Other Receivables	2,145,652	9,859,128
Receivables	45,693,234	28,620,605

### 5. INVENTORIES

The Inventories of the Company as of June 30, 2025 and December 31, 2024 are composed of the following:

	6/30/2025	12/31/2024
Medical and Other Supplies	4,521,128	4,422,909
Medicines - Pharmacy	7,885,455	4,523,004
Laboratory Supplies and Reagent	1,098,310	1,967,047
Inventories	8,089,234	10,912,960



6. **OTHER CURRENT ASSETS**

The other current assets account of the Company as of June 30, 2025 and December 31, 2024 are composed of the following:

	6/30/2025	12/31/2024
Input VAT Carry-Over	95,405,531	91,697,266
Advances to Employees	5,335,959	2,844,418
Advances to Suppliers	607,297	4,889,631
Other Current Assets	101,348,787	99,431,315

7. **PROPERTY AND EQUIPMENT**

The property and equipment account of the Company as of June 30, 2025 and December 31, 2024 are composed of the following:

	1/1/2025 Balance	Additions/ Provisions	6/30/2025 Balance
<i>Cost</i>			
Land	32,412,704	—	32,412,704
Container Van and Vehicles	5,276,050	57,139	5,333,189
Office and Other Equipment	33,551,213	100,424	33,651,637
Furniture and Fixtures	33,320,963	948,673	34,269,636
Medical Equipment and Fixture	75,487,019	20,678,402	96,165,421
Total Cost	180,047,949	21,784,638	201,832,587
<i>Accumulated depreciation</i>			
Container Van and Vehicles	1,672,374	266,659	1,939,033
Office and Other Equipment	16,656,143	3,363,030	20,019,173
Furniture and Fixtures	9,376,602	1,691,014	11,067,616
Medical Equipment and Fixture	1,887,175	1,194,462	3,081,637
Total Accumulated Depreciation	29,592,294	6,515,165	36,107,459
<i>Net book value</i>			
Land	32,412,704		32,412,704
Container Van and Vehicles	3,603,676		3,394,156
Office and Other Equipment	16,895,070		13,632,464
Furniture and Fixtures	23,944,361		23,202,020
Medical Equipment and Fixture	73,599,844		93,083,784
Property and Equipment, net	150,455,655		165,725,128

	1/1/2024 Balance	Additions/ Provisions	12/31/2024 Balance
<i>Cost</i>			
Land	32,412,704	—	32,412,704
Container Van and Vehicles	5,276,050	—	5,276,050
Office and Other Equipment	33,002,463	548,750	33,551,213
Furniture and Fixtures	31,963,191	1,357,772	33,320,963
Medical Equipment and Fixture	51,099,024	24,387,995	75,487,019
Total Cost	153,753,432	26,294,517	180,047,949

	1/1/2024 Balance	Additions/ Provisions	12/31/2024 Balance
<i>Accumulated depreciation</i>			
Container Van and Vehicles	1,144,769	527,605	1,672,374
Office and Other Equipment	9,945,900	6,710,243	16,656,143
Furniture and Fixtures	6,044,506	3,332,096	9,376,602
Medical Equipment and Fixture	—	1,887,175	1,887,175
Total Accumulated Depreciation	17,135,175	12,457,119	29,592,294
<i>Net book value</i>			
Land	32,412,704		32,412,704
Container Van and Vehicles	4,131,281		3,603,676
Office and Other Equipment	23,056,563		16,895,070
Furniture and Fixtures	25,918,685		23,944,361
Medical Equipment and Fixture	51,099,024		73,599,844
Property and Equipment, net	136,618,257		150,455,655

There were no disposal or retirement of property and equipment as of June 30, 2025 and December 31, 2024. The Company's land and medical equipment and fixture are currently held as collateral to secure its loans with the Development Bank of the Philippines. See Note 8, *Loans Payable* for further information.

#### 8. CONSTRUCTION IN PROGRESS

As of June 30, 2025 and December 31, 2024, the movement of this account are as follows:

	1/1/2025 Balance	Additions/ Provisions	6/30/2025 Balance
Construction in Progress	847,720,968	21,264,106	868,985,074

	1/1/2024 Balance	Additions/ Provisions	12/31/2024 Balance
Construction in Progress	781,630,486	66,090,482	847,720,968

The loan the Company entered into is related to the construction of its qualifying asset. The interest expense (borrowing cost) therein was capitalized as part of its construction in progress account. Additions to construction in progress account includes capitalizable interest expense (borrowing cost). The building under construction was held as collateral to secure the term loan agreement of the Company with the creditor bank. See Note 8, *Loans Payable*, for further discussion.

#### 9. INTANGIBLE ASSETS

As of June 30, 2025 and December 31, 2024, the movement of this account are as follows:

	1/1/2025 Balance	Additions/ Provisions	6/30/2025 Balance
<i>Cost</i>			
Software	2,521,875	2,988	2,524,863
<i>Accumulated Amortization</i>			
Software	299,776	252,486	552,262
Intangible Assets, net	2,222,099		1,972,601

	1/1/2024 Balance	Additions/ Provisions	12/31/2024 Balance
<i>Cost</i>			
Software	184,375	2,337,500	2,521,875
<i>Accumulated Amortization</i>			
Software	47,588	252,188	299,776
Intangible Assets, net	136,787		2,222,099

As of June 30, 2025 and December 31, 2024, there were no retirement or disposal of intangible assets occurred.

#### 10. OTHER NONCURRENT ASSETS

The other noncurrent assets account of the Company as of June 30, 2025 and December 31, 2024 consists of the following:

	6/30/2025	12/31/2024
Energy Deposit	4,609,112	4,609,112

#### 11. TRADE AND OTHER PAYABLES

As of June 30, 2025 and December 31, 2024, this account represents amounts payable to contractors. Trade and other payables are non-interest bearing and are payable within one year after reporting period. These are fully settled upon maturity on a lump-sum basis and impose no restrictions on the Company.

The account consists of the following:

	6/30/2025	12/31/2024
Accounts Payable	60,416,653	53,921,002
Professional Fee Payable	7,019,906	678,789
Deposits from Patients	–	29,948
SSS and HDMF Loans Payable	97,465	76,028
Withholding Tax Payable- Compensation/Expanded	12,628	290,239
SSS, PHIC, and HDMF Payable	1,086,498	859,638
Trade and Other Payables	68,633,150	55,855,644

#### 12. LOANS PAYABLE

The Company previously entered into two term loan agreements with the Development Bank of the Philippines (DBP), one in 2018, and the other in 2021. The details of each loan are summarized as follows:

	DBP Loan 1 – Construction	DBP Loan 2 – Equipment and Utilities
Date Entered	December 3, 2018	July 1, 2021
Purpose	Finance the construction of hospital buildings	Partly finance its acquisition of hospital equipment and building utilities
Credit Line	Php450,000,000	Php430,000,000
Maturity	15 years, with 3 years grace period	10 years, with 2 years grace period
Interest Rate	5.25% per annum	5% per annum

During the year 2024, the Company entered into six (6) term loan agreements with the Bank of the Philippine Islands (BPI), all of which were acquired during the year 2024. The details of each loan are summarized as follows:

	BPI Loan 1	BPI Loan 2
Date Entered	February 13, 2024	February 13, 2024
Purpose	To take out loan outstanding balance with DBP and partly finance the construction of hospital buildings	To take out loan outstanding balance with DBP and partly finance its acquisition of hospital equipment and building utilities
Credit line	Php422,387,000	Php284,529,000
Maturity	10 years, with 2 years grace period	10 years, with 2 years grace period
Interest rate	Prevailing Market Rates	Prevailing Market Rates
	BPI Loan 3	BPI Loan 4
Date Entered	February 13, 2024	February 13, 2024
Purpose	Partially re-finance the construction of hospital buildings	Partially finance the construction of the 2-storey dietary building with commercial space
Credit line	Php90,000,000	Php22,500,000
Maturity	10 years, with 2 years grace period	10 years, with 2 years grace period
Interest rate	Prevailing Market Rates	Prevailing Market Rates
	BPI Loan 5	BPI Loan 6
Date Entered	February 13, 2024	February 13, 2024
Purpose	Partly finance its acquisition of hospital equipment and building utilities	To take out loan outstanding balance with DBP and partly finance its acquisition of hospital equipment and building utilities
Credit line	Php60,000,000	Php3,000,000
Maturity	10 years, with 2 years grace period	4 Years, with 2 months grace period or up to October 3, 2027
Interest rate	Prevailing Market Rates	Prevailing Market Rates

The movement of the loans payable account for the interim period ended June 30, 2025 and year ended December 31, 2024 are as follows:

	1/31/2025 Balance	Additions	(Payments)	6/30/2025 Balance
BPI- Construction Loan	534,887,000	—	—	534,887,000
BPI- Equipment Loan	292,250,500	—	(375,000)	291,875,500
BPI- Working Capital Loan	50,000,000	—	—	50,000,000
Totals	827,137,500	—	(375,000)	876,762,500

	1/31/2024 Balance	Additions	(Payments)	Release from Buy-Out	12/31/2024 Balance
DBP - Hospital Building	429,343,182	—	(8,956,182)	(422,387,000)	—
DBP - Hospital Equipment	293,299,412	—	(6,020,412)	(287,279,000)	—
BPI- Construction Loan	—	534,887,000	—	—	534,887,000
BPI- Equipment Loan	—	292,875,500	(625,000)	—	292,250,500
BPI- Working Capital Loan	—	50,000,000	—	—	50,000,000
Totals	722,642,594	877,762,500	(13,601,594)	(709,666,000)	877,137,500

The first loan with DBP was wholly secured by the Company's land and project under construction, while the second loan is secured with movable assets as listed in the Annex C of its security agreement with DBP, as well as the receivables arising from Philippine Health Insurance Corporation, if any.

Out of the total outstanding loans payable, the current portion as of June 30, 2025 and December 31, 2024 amounts to Php750,000 for both years.

The book value of the assets held as collaterals as of June 30, 2025 and December 31, 2024 are as follows:

	6/30/2025	12/31/2024
Land	32,412,704	32,412,704
Construction in Progress	857,044,976	847,720,968
Medical Equipment and Fixture	93,072,586	73,599,844
Total Net Book Value	982,530,266	953,733,516

For the interim period ended June 30, 2025 and year ended December 31, 2024, the Company paid the following finance cost:

	6/30/2025	12/31/2024
Finance Cost- Capitalized as part of Construction in Progress	18,602,439	34,835,941
Finance Cost- Charged to Profit or Loss	12,091,123	24,790,091
Finance Cost	30,693,562	59,626,031

The finance cost paid and incurred by the Company for the years ended June 30, 2025 and December 31, 2024 are broken down as follows:

	6/30/2025	12/31/2024
<i>Construction</i>		
Interest	18,602,439	29,238,591
Documentary Stamp Tax	—	3,167,903
Gross Receipts Tax	—	2,429,447
<i>Equipment and Utilities</i>		
Interest	12,091,123	19,914,877
Documentary Stamp Tax	—	2,133,968
Gross Receipts Tax	—	1,763,056
<i>Working Capital Loan</i>		
Documentary Stamp Tax	—	978,190
Finance Cost	30,693,562	59,626,031

For the interim period ended June 30, 2025 and year ended December 31, 2024, the interest expense on the construction loan amounting to Php18,602,439 and Php34,835,941, respectively, were capitalized to the construction in progress account.

The interest expense on equipment and utilities loan, as well as the documentary stamp taxes and gross receipts taxes on both loans with an aggregate value of Php12,091,123, and Php24,790,091 are recognized as expense for the interim period ended June 30, 2025 and year ended December 31, 2024, respectively.

Documentary stamp taxes are remitted to the BIR by the related intermediary financial institution. The Company did not incur any default in paying the interests of the loan and no restrictive covenants were imposed by DBP.

The following were the conditions set by DBP for Construction Loans:

- Conduct its business in an orderly, efficient, and customary manner.
- Maintain adequate books, accounts, and records.

- Comply with applicable laws, statutes, rules, regulations, orders, and directives of any government agency.
- Pay all indebtedness and perform all contractual obligations promptly and in accordance with the terms.
- Deliver to the lender its financial statements.
- Promptly give written notice any legal proceedings and other matters.
- Open and maintain depository account.
- Environmental compliance.
- Not make or permit any material change in the character of its business, or engage in any business operation or activity other than authorized by law.
- Not permit any material change in ownership or control of its business or of its capital stock or in the composition of top-level management.
- Not incur additional loan.
- Not act as guarantor or surety.
- Not declare or pay dividends.
- Not sell, lease, transfer, or dispose all or substantially the properties and assets.
- Not extend any loans, advances, and subsidies.
- Not create or suffer to exist any lien, security interest, or other charge or encumbrance, or any other type of preferential arrangement.
- It will not permit the ratio of its total debt-to-equity to exceed 2:1 at any time during the entire term of the loan.
- It will not permit the ratio of its current assets to current liabilities to be less than 1:1 at any time until after the term of the loan.
- It will not permit the ratio of its net operating income to total debts to be less than 1x at any time.

The following were the conditions set by DBP for Equipment and Utilities Loans:

- Conduct its business in an orderly, efficient, and customary manner.
- Maintain adequate books, accounts, and records.
- Comply with applicable laws, statutes, rules, regulations, orders, and directives of any government agency.
- Pay all indebtedness and perform all contractual obligations promptly and in accordance with the terms.
- Deliver to the lender its financial statements.
- Promptly give written notice any legal proceedings and other matters.
- Open and maintain depository account.
- Environmental compliance.
- Not make or permit any material change in the character of its business, or engage in any business operation or activity other than authorized by law.
- Not permit any material change in ownership or control of its business or of its capital stock or in the composition of top-level management.
- Not incur additional loan.
- Not act as guarantor or surety.
- Not declare or pay dividends.
- Not sell, lease, transfer, or dispose all or substantially the properties and assets.
- Not extend any loans, advances, and subsidies.
- Not create or suffer to exist any lien, security interest, or other charge or encumbrance, or any other type of preferential arrangement.
- It will not permit the ratio of its total debt-to-equity to exceed 2:1 at any time during the entire term of the loan.



- It will not permit the ratio of its current assets to current liabilities to be less than 1:1 at any time until after the term of the loan.
- It will not permit the ratio of its net operating income to total debts to be less than 1x at any time.

The following were the conditions set by BPI for its Loans:

- Utilize the proceeds of the Loan exclusively for the purpose stated in the loan agreement.
- Ensure that improvements up to the extent of the outstanding balance of the Loan net of the valuation of the asset mortgaged and maintain such insurance in force until the Loan shall have been fully paid.
- Promptly pay and discharge all taxes assessments and governmental charges of whatever nature validity and legally levied upon it or against its properties and business.
- Maintain the mortgaged asset in good condition and shall conduct its business in consonance with good business practices.
- Should the collateral be lost or damaged or shall suffer an appreciable depreciation in value, the borrower shall furnish the bank additional securities.
- Furnish the bank with audited financial statements within 90 days after the end of each fiscal year, certified by independent public accountants acceptable to the bank.
- Furnish the bank financial statements within 60 days after the end of each quarter.
- Submit to the bank a certificate of non-default thirty business days after the end of each quarter.
- Furnish the bank such other information as the bank may reasonable request in writing.
- Shoulder all out-of-pocket expenses related to the loan
- Keep adequate books of record and account in accordance with GAAP.
- Not effect any merger, consolidation or other material change in its ownership, corporate set-up or management.
- Not incur, create, assure or permit to exist any additional indebtedness except in normal course of business.
- Not engage in any business except for business authorized by its Articles of Incorporation.
- Not sell, transfer, convey or dispose of any substantial portion of its assets without prior written consent of the Bank
- Not declare of pay any cash dividends or redeem or repurchase any outstanding share, or make any capital or asset distribution to its stockholders without prior written consent of the bank
- Shall not declare or pay management bonuses or profit sharing if any of its obligations is not current
- Shall not voluntarily suspend its business operations or dissolve its affair.
- Shall at all times maintain a current ratio of at least 1x
- Shall at all times maintain a D-E Ratio no greater that 3x should not be met
- Shall at all times maintain debt service cover ratio of not less than 1.25x

### 13. DEPOSITS FOR FUTURE STOCK SUBSCRIPTION

The deposit for future stock subscription balance as of June 30, 2025 and December 31, 2024 are as follows:

	6/30/2025	12/31/2024
Deposit for Future Stock Subscription	—	—

The movement of the account are presented as follows:

	6/30/2025	12/31/2024
Deposit for Future Stock Subscription, Beginning Balance	–	35,550,000
Refund	–	(35,550,000)
Proceeds	–	–
Deposit for Future Stock Subscription, Ending Balance	–	–

This account refers to the consideration received by the Company with the purpose of applying the same as payment for future issuance of shares. As of reporting date, the deposit for future stock subscription is recognized as a noncurrent liability since it does not meet all the requirements enumerated by the Securities and Exchange Commission (SEC).

During the year ended December 31, 2023, the Company received deposits from investors amounting to Php35,550,000 for future stock subscriptions under an agreement to issue shares upon fulfillment of certain conditions. However, due to the cancellation of stock subscription agreement, the Company refunded the deposits to the respective investors during the year ended December 31, 2024.

The refunds were processed in accordance with the terms of the deposit agreement. As of December 31, 2024, no outstanding balances related to these deposits remain on the Company's books.

Management has reviewed the circumstances surrounding the refunds and does not expect any material impact on the Company's financial position or operations.

#### 14. SHARE CAPITAL

At the date of incorporation, the Company had an authorized share capital of Php360,000,000, comprised of 180,000 preferred shares with Php1,000 par value per share, 179,400 ordinary shares at Php1,000 par value per share, and 600 founder shares at Php1,000 par value per share. However, during 2024, the Corporation amended its Articles of Incorporation due to the conversion of all its preferred shares to common shares and now has an authorized share capital of Php360,000,000, comprised of 359,400 common shares with Php1,000 par value per share and 600 founder shares at Php1,000 per share.

Of the authorized shares, the following shares were subscribed by the shareholders:

	6/30/2025	12/31/2024
327,030 Common Shares at par	327,030,000	327,030,000
600 Founder Shares at par	600,000	600,000
Totals	327,630,000	327,630,000

However, the amount of paid-up share capital as of June 30, 2025 and December 31, 2024 is only Php309,630,000 for both years, thereby recognizing a subscription receivable of Php18,000,000 as of June 30, 2025.

#### 15. DEFICIT

The Company's deficit increased to Php166,356,301 as of June 30, 2025 from Php156,374,624 as of December 31, 2024. This increase was due to the net loss incurred by the Company for the interim period ended June 30, 2025 amounting to Php9,981,678.

There were no appropriations and dividend declarations made as of June 30, 2025 and December 31, 2024.

**16. REVENUES**

The Company's revenue for the interim period ended June 30, 2025 and year ended December 31, 2024 are as follows:

	6/30/2025	12/31/2024
<i>Sale of Goods</i>		
Pharmacy- Sales	28,821,347	13,557,611
Medical Supplies- Sales	8,784,405	4,363,944
Total Sale of Goods	37,605,752	17,921,555
<i>Sale of Services</i>		
Income from Dialysis	34,536,669	11,868,945
Income from Laboratory	12,158,917	7,895,762
Income from Room and Board	11,398,600	9,373,755
Income from Operating Room	8,767,327	6,478,236
Health Care Charges	5,148,543	—
Income from Emergency Room	2,810,280	3,052,177
Income from Dietary	2,420,395	2,037,080
Income from Cardio Pulmo	2,288,655	710,085
Income from Delivery Room	2,219,040	310,694
Income from CT-Scan	2,029,264	—
Income from Ultrasound Services	1,886,164	—
Income from Radiology- Xray and Ultrasound	1,437,160	2,096,049
Nursing Care Services	859,645	—
Patient Service Income	827,463	3,383,183
Income from Neonatal Special Care Unit	699,999	210,668
Income from Eye Center	126,410	34,970
Miscellaneous- Medical Record	75,662	28,049
Income from Recovery Room	—	9,219
Total Sale of Services	89,690,193	47,488,872
Gross Revenues	127,295,945	65,410,427
Returns and Discounts	(21,549,476)	(7,538,175)
Net Revenues	105,746,469	57,872,252

**17. COST OF REVENUES**

The Company's cost of revenues for the interim period ended June 30, 2025 and year ended December 31, 2024 are as follows:

	6/30/2025	12/31/2024
Salaries and Wages including Benefits	27,025,996	30,395,672
Medical Supplies	15,125,702	3,826,634
Communication, Light, and Water	12,695,807	17,871,899
Cost of Pharma Sales	10,840,721	5,165,531
Honorarium and Allowances	7,615,245	590,285
SSS, PHIC, and HDMF Contributions	3,826,430	3,527,297
Overtime Pay, Holiday Pay, and Other Pay	3,251,175	1,160,993
Dietary Supplies	2,102,162	219,257
Security and Janitorial Services	2,077,224	1,010,286
Cost of Revenues	84,560,462	63,767,854

**18. OTHER INCOME**

The other income of the Company for the interim period ended June 30, 2025 and year ended December 31, 2024 are as follows:

	6/30/2025	12/31/2024
Clinic Rental	569,716	179,686
Income from Patient Transport Service	–	95,575
Interest from Bank Deposits	5,466	11,476
<b>Other Income</b>	<b>575,182</b>	<b>286,737</b>

For the interim period ended June 30, 2025, and the year ended December 31, 2024, the Company has reclassified the income previously reported under Income from Patient Transport Service to Income from Emergency Room. This reclassification aligns with the Company updated accounting policy to better reflect the nature of the services provided.

**19. OPERATING EXPENSES**

The operating expenses account of the Company for the interim period ended June 30, 2025 and year ended December 31, 2024 are composed of the following:

	6/30/2025	12/31/2024
Depreciation	6,515,166	12,457,119
Professional Fees	5,210,063	3,938,442
Office Supplies and Other Supplies	2,695,521	1,294,193
Taxes and Licenses	1,495,556	3,005,522
Readers Fee	952,110	–
Directors' Fee	636,866	190,000
Laundry Expense	515,717	–
Repairs and Maintenance	422,960	585,276
Transportation and Travel	333,273	230,306
Amortization	252,486	252,188
Trainings and Seminars	107,177	66,650
Processing Fee	88,921	–
Membership Dues	77,840	–
Fuel and Oil	75,846	4,410,185
Representation	66,074	61,863
Advertising and Promotion	52,214	–
Meetings and Forums	34,008	37,228
Fees and Penalties	31,396	12,926,218
Staff House Rental	31,000	14,000
Water Analysis Fees	28,940	–
Pathology Readers Fee	–	100,500
Research and Marketing	–	15,728
Legal Fee	–	100,000
Miscellaneous	28,609	43,227
<b>Operating Expenses</b>	<b>19,651,743</b>	<b>39,728,645</b>

**20. INCOME TAX**

On January 5, 2024, Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", was signed into law. The law aims to simplify filings, particularly for those classified as Micro and Small Taxpayers, by introducing the file-and-pay anywhere system and allowing most of the tax processes to be done online. It also included the shift to an invoice system to improve the registration process as well as to accelerate the processing of VAT refunds.

On March 26, 2021, the Republic Act. No. 11534 or the CREATE Act was signed and officially effective on April 11, 2021, with some retroactive provisions. The Act introduces to the corporate income tax and incentive systems.

Under this Act, domestic corporations in general are subject to a regular corporate income tax (RCIT) rate of 25%, effective July 1, 2020. However, corporations with net taxable income not exceeding Php5,000,000 and total assets not exceeding Php100,000,000, excluding the land on which the particular business office, plant and equipment are situated, will enjoy a lower income tax rate of 20%, effective July 1, 2020.

In addition, this Act also reduces the minimum income tax rate (MCIT) rate from 2% to 1%, effective July 1, 2020 to June 30, 2023. However, starting July 1, 2023, the minimum income tax rate (MCIT) rate for corporations will now revert to its original 2% rate based on the gross income of such corporations.

The income tax liability of the Corporation is still based on the higher amount between the gross income multiplied by the MCIT rate and the taxable income multiplied by RCIT rate. Any resulting excess of the MCIT over the RCIT is recognized as a deferred tax asset which can be deducted against future income tax liabilities of the Company.

The provision for income tax is computed on an annual basis. Accordingly, income tax payable is not computed for interim reporting periods (e.g., quarterly reports such as the SEC Form 17-Q). Any significant adjustments are reflected in the annual financial statements.

The Company's computation for income tax payable as of December 31, 2024 are as follows:

	12/31/2024
<i>Regular Corporate Income Tax (RCIT)</i>	
Accounting Loss Subject to Tax	(70,139,077)
Temporary Differences	—
Taxable Loss	(70,139,077)
Income Tax Rate	25%
Current Income Tax Expense (Benefit)	(17,534,769)
<i>Minimum Corporate Income Tax (MCIT)</i>	
Gross Profit (Loss)	(5,608,865)
Income Subject to Final Withholding Tax	(11,476)
Gross Income (Loss)	(5,620,341)
Multiply by: MCIT rate	2%
MCIT Due	—
Income Tax Payable	—

Net loss can be claimed as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss as Net Operating Loss Carry-Over (NOLCO).

The details of the Company's NOLCO which can be carried forward and claimed as tax credit against regular taxable income are as follows:

Year Incurred	NOLCO Amount	NOLCO Applied Previous Year	NOLCO Expired	NOLCO Applied Current Year	Valid Until	Balance NOLCO
2024	70,139,077	—	—	—	2027	116,395,139
2023	46,256,062	—	—	—	2026	46,256,062

The tax effect of the temporary difference forms part of deferred tax asset account. The movement of deferred tax asset during 2024 is as follows:

	2024
Deferred Tax Asset, Beginning Balance	11,564,016
Additions during the Year	17,534,769
Applied during the Year	–
Deferred Tax Asset, Ending Balance	29,098,785

The excess of MCIT over the regular income tax is presented as a noncurrent asset in the statement of financial position under the line-item Deferred Charges – MCIT. It is an asset that is carried forward on an annual basis and credited against the normal income tax for the three (3) immediately succeeding taxable years. The details of this account are as follows:

	2024
Deferred Charges - MCIT, Beginning Balance	1,298
Additions during the Year	–
Excess MCIT applied during the Year	–
Deferred Charges - MCIT, Ending Balance	1,298

## 21. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities.

### *Key Management Personnel*

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The Company's key management personnel did not receive any form of compensation for the interim period June 30, 2025 and year ended December 31, 2024.



## 22. **RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the policies and processes which involves identifying, measuring, monitoring and managing risks. The Board of Directors has delegated to senior management the responsibility of developing and updating the Company's policies and procedures which address risk management areas as well as reviewing the adequacy of these policies and procedures in relation to the risks being faced by the Company.

Senior management is also responsible for monitoring key risk indicators and enforcing strict compliance with the Company's policies and procedures. The Company's senior management is responsible for taking on and directly managing the risks.

### **Risk Management**

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

### **Risk Management Structure**

The Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. However, there are separate independent bodies responsible for managing and monitoring risks.

### **Risk Measurement and Reporting Systems**

While the Company does not currently have an active risk management team, risk is generally measured through regular reporting from all portfolio managers. These reports include portfolio at risk and default statistics for all portfolio entities and are presented and explained to the Board of Directors and the Investment Committee, or a similar body, on a regular basis. The use of financial instruments is fundamental to the Company's core business. Accordingly, the risks associated with financial instruments represent a significant component of the risks being faced by the Company.

The Company has exposure to a variety of financial risks, such as market risk, credit risk and liquidity risk from its use of financial instruments. These risks and the Company's risk management framework and specific risk management policies and procedures for measuring, monitoring and managing such risks are outlined below and on the next following pages. Relevant quantitative disclosures are also included as appropriate.

### **Market Risk**

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market variables. Market risk comprises three types of risk: foreign exchange risk, price risk and interest rate risk.

#### **(a) Foreign Currency Risk**

Foreign currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates. All currencies can experience periods of high volatility which can adversely affect profit margins if suitable strategies are not in place to protect cash flow from sudden currency fluctuations.

(b) Price Risk

Price risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As of June 30, 2025 and December 31, 2024, the Company is not exposed to market risk because it does not hold market-sensitive financial instruments.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, for market segmentation, and industry concentrations, and by monitoring exposures in relation to such limits, among others.

The following table shows the carrying amounts of the Company's financial assets that have a maximum exposure to credit risk:

	6/30/2025	12/31/2024
Cash in Bank	19,530,438	26,572,926

The credit risk for cash in bank is considered negligible since the counterparties are reputable entities with high quality external credit ratings.

In accordance with the recent related standard issued, the Company classifies financial assets into the following credit grades:

- Stage 1: Performing – this pertains to accounts with very low probability of defaults because of the borrower's established ability to tap its liquid resources to fully service its obligations as they become due. The borrower has no history of default and uses leverage sparingly. This category includes debt securities issued or guaranteed by the government or its agencies or controlled corporations.
- Stage 2: Underperforming – this pertains to accounts with an acceptable probability of default. Nevertheless, the borrower has a strong debt service record and has demonstrated the ability to readily service its debts. Collateral cover, if applicable, should be adequate. This includes receivables with good credit standing and amounts lent to creditors with healthy capital and liquidity ratios.
- Stage 3: Non-performing – this pertains to accounts for which the Company determines high probability of not collecting the principal and interest due based on the contractual terms and agreements. Collateral cover, if applicable, is insufficient.

As of June 30, 2025 and December 31, 2024, the credit quality of the Company's financial assets is presented below:

	6/30/2025			
	Stage 1	Stage 2	Stage 3	Total
Cash in Bank	19,530,438	–	–	19,530,438
Receivables	45,693,234	–	–	45,693,234
Advances to Suppliers	607,297	–	–	607,297
Totals	65,830,969	–	–	65,830,969

12/31/2024				
	Stage 1	Stage 2	Stage 3	Total
Cash in Bank	26,572,926	—	—	26,572,926
Receivables	28,620,605	—	—	28,620,605
Advances to Suppliers	4,889,631	—	—	4,889,631
Totals	60,083,162	—	—	60,083,162

Cash in bank are considered under Stage 1 as performing because management deals only with top banks in the Philippines.

There are no transfers between stages during 2025 and 2024. None of the financial assets that are fully performing has been renegotiated in 2025 and 2024.

#### Significant Increase in Credit Risk

When determining whether the credit risk (i.e., risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime probability of default (PD) for this point in time that was estimated on initial recognition of the exposure.

The Company believes that the credit risk on a financial instrument has increased significantly when the contractual payments of the counterparty debtors are more than 120 days past due. A financial asset is past due when a counterparty has failed to make a payment when that payment was contractually due. Due dates are determined without considering any grace period that might be available to the borrower.

#### Definition of "Default" by the Management

The term "default" is not defined in PFRS 9 Financial Instruments and the Company will have to establish its own policy for what it considers a default, and apply a definition consistent with that used for internal credit risk management purposes for the relevant financial instrument. The Company defines its financial instruments in default in all cases when the counterparty debtor is not able to pay after the one year from its due date.

#### Liquidity Risk

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

The Company manages its liquidity profile to be able to finance the operations and capital expenditures, service the maturing debts and meet other financial obligations. As part of the liquidity risk management program, the Company regularly evaluates its projected and actual cash flows including the loan maturity profiles, and continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. The Company's objective is

to maintain a balance between continuity and flexibility through the use of internally generated funds and banks. The Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets.

The tables on the next page summarize the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual obligations as of June 30, 2025 and December 31, 2024. The table also analyzes the maturity profile of the company's financial assets in order to provide a complete view of the company's contractual commitments and liquidity.

6/30/2025				
	Carrying Amount	6 months or less	6 to 12 months	Over 12 months
<b>Assets</b>				
Cash	19,730,438	19,730,438	—	—
Accounts Receivable-Nontrade	45,693,234	45,693,234	—	—
Advances to Suppliers	607,297	607,297	—	—
<b>Total</b>	<b>66,030,969</b>	<b>66,030,969</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>				
Accounts Payable	60,416,653	60,416,653	—	—
Loans Payable	876,762,500	—	750,000	876,012,500
Deposits for Future Stock Subscription	—	—	—	—
<b>Total</b>	<b>937,179,153</b>	<b>60,416,653</b>	<b>750,000</b>	<b>876,012,500</b>
<b>Liquidity Gap</b>	<b>(871,148,184)</b>	<b>5,614,316</b>	<b>(750,000)</b>	<b>(876,012,500)</b>

2024				
	Carrying Amount	6 months or less	6 to 12 months	Over 12 months
<b>Assets</b>				
Cash	28,375,724	28,375,724	—	—
Accounts Receivable-Nontrade	28,620,605	28,620,605	—	—
Advances to Suppliers	4,889,631	4,889,631	—	—
<b>Total</b>	<b>61,885,960</b>	<b>61,885,960</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>				
Accounts Payable	53,921,002	53,921,002	—	—
Loans Payable	877,137,500	—	750,000	876,387,500
Deposits for Future Stock Subscription	—	—	—	—
<b>Total</b>	<b>931,058,502</b>	<b>53,921,002</b>	<b>750,000</b>	<b>876,387,500</b>
<b>Liquidity Gap</b>	<b>(869,172,542)</b>	<b>7,964,958</b>	<b>(750,000)</b>	<b>(876,387,500)</b>

The Company's objective in managing liquidity risk is to ensure that it will always have sufficient means to meet its liabilities when due, whether under normal or stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Additionally, the Company obtains the support of its shareholders to meet additional cash requirements when necessary.

### Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. There are two types of interest rate risk:

- a) Fair value interest rate risk – the risk that the value of the financial instruments will fluctuate because of changes in the market interest rates and
- b) Cash flow interest rate risk – the risk that future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to changes in interest rates relates primarily to the Company's loans payable. Its policy is to manage its interest cost by regularly entering into short-term bank loans as it relates to its working requirements in order to mitigate the impact of potential increase in loan interest rates from borrowings.

The table below shows the financial assets and liabilities that are interest-bearing.

		6/30/2025		12/31/2024	
		Effective Interest Rate	Amount in Php	Effective Interest Rate	Amount in Php
Financial Asset	Fixed Rate Cash in Bank	0.25% - 0.50%	19,530,438	0.25% - 0.50%	26,572,926
Financial Liabilities	Fixed Rate Long-term Loans	5.25%	876,012,500	5.25%	876,387,500

The interest coverage ratio is used to determine how easily a Company can pay interest expenses on outstanding debt. The ratio is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses for the same period.

The Company's interest coverage ratio for the years June 30, 2025 and December 31, 2024 is computed as follows:

	6/30/2025	12/31/2024
Income (Loss) before Interest and Tax	2,109,446	(45,337,510)
Divide by: Finance Cost	12,091,123	24,790,091
Interest Rate Coverage Ratio	0.17	(1.83)

The audit findings also reveal that the interim financial statements are not affected significantly by interest rate risk. The Company does not perform sensitivity analysis since the Company expects that the effect of change in interest rates will have insignificant effect on the Company's operations. Additionally, as the Company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

### Operational Risk

These risks arise from various operational and administrative procedures that the business uses to implement its strategy. The Company's policy maintains close monitoring of everyday operations by well-trained superiors, and timely reports of the different departments are submitted to top management.

#### Compliance Risk

These risks derive from the necessity to ensure compliance with laws, regulations, and other less formal societal expectations which, if infringed, can damage the Company. The Company implements strict guidelines which management, staff, and employees adhere to.

### 23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. It sets the amount of capital in proportion to its overall financing structure, i.e., equity and financing liabilities. The Company complies with RA No. 11232, the Revised Corporation Code of the Philippines, on imposed capital requirements and has no restrictions on the issue and re-purchase of ordinary shares. No changes were made in the objectives, policies and processes from the previous years.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To meet its objectives, the Company continuously seeks for new buyers to generate higher earnings as it maintains a positive relationship with its existing customers. The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in the Company's investment policies;
- To safeguard the Company's ability to continue as going concern;
- To maintain sufficient liquidity to meet the expenses of the Company; and
- To maintain sufficient size to make the operation of the Company cost-efficient.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its stockholders or pay off existing debts.

The Company manages the following capital:

	6/30/2025	12/31/2024
Long-Term Loans	876,012,500	876,387,500
Equity	305,273,700	268,455,377
Total	1,181,286,200	1,144,842,877

The Company monitors its capital on the basis of leverage ratio. This ratio is calculated at net debt divided by total capital. The ratio measures financial leverage that demonstrates the degree to which the Company's operations are funded by equity capital in comparison to debt financing. A high leverage ratio represents a high proportion of debt to equity and a low leverage ratio represents a low proportion of debt to equity.

The leverage ratio of the Company as of June 30, 2025 and December 31, 2024 is as follows:

	6/30/2025	12/31/2024
Total Liabilities	945,395,650	932,993,144
Cash	(19,730,438)	(28,375,724)
Net Debt	925,665,212	904,617,420
Total Equity	305,273,700	268,455,377
Total Capital	1,230,938,912	1,173,072,797
Leverage Ratio	75%	77%



## 24. **FINANCIAL RATIOS**

Financial ratios serve as an indicator or measurement tool to determine effectivity/efficiency on various financial aspects of the Company such as but not limited to, its ability to meet or pay-off current or long-term debts, the effectiveness or efficiency in asset usage, the availability of cash for immediate payment of obligations and many other.

Financial ratios compare the results in different line items of the interim financial statements. The analysis of these ratios is designed to draw conclusions regarding the financial performance, liquidity, leverage, and asset usage of a business. This type of analysis is widely used, since it is solely based on the information located in the interim financial statements, which is generally easy to obtain. In addition, the results can be compared to industry averages or to the results of benchmark companies to see how a business is performing in comparison to other organizations.

### **Current Ratio**

Current ratio is primarily used to determine the Company's capability to pay-off current debts with its current assets. Current Ratio determines the liquidity of Company, the capacity of the Company to meet/pay its current obligations using its current assets (cash, assets readily convertible to cash). Higher current ratios indicate that the Company is more capable to meet current liabilities when they are due.

### **Debt-to-Equity Ratio**

Debt-to-equity ratio compares the Company's total debt to total equity. It is used to determine the amount of financing the Company has from external sources/creditors in comparison to equity infused by shareholders.

### **Solvency Ratio**

Solvency ratio is a key metric used to measure the Company's ability to meet its debt obligations and is used often by prospective business lenders. This ratio indicates whether a Company's cash flow is sufficient to meet its short and long-term liabilities.

### **Equity Ratio**

Equity ratio shows the relationship between the Company's asset and equity. This ratio is used to measure the proportion in which the Company's total asset is funded by the Company's equity.

### **Assets-to-Equity Ratio**

Assets-to-equity ratio indicates the relationship of the total assets of the Company to the part owned by shareholders. This ratio is an indicator of the Company's leverage (debt) used to measure the proportion of total assets financed by the Company's equity.

### **Return on Equity**

Return on equity is a measure of profitability that calculates how many peso of profit a Company generates with each peso of shareholders' equity.

**Return on Assets**

Return on equity assets is a financial ratio that shows the percentage of profit a Company earns in relation to its overall resources.

**Asset Turnover Ratio**

The asset turnover ratio is an efficiency ratio that measures a Company's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a Company can use its assets to generate sales.

**Quick Asset Ratio**

The quick ratio or acid test ratio is a liquidity ratio that measures the ability of a Company to pay its current liabilities when they come due with only quick assets. Quick assets are current assets that can be converted to cash within 90 days or in the short-term. Cash, cash equivalents, short-term investments or marketable securities, and current accounts receivable are considered quick assets.

**Operating Profit Margin**

Operating margin is a measurement of what proportion of a Company's revenue is left over after paying for costs of operations.

**Net Profit Ratio**

The net profit ratio is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of the Company, especially when combined with an evaluation of how well it is using its working capital.

The computations of the financial ratios of the Company are shown on the next page.

### FINANCIAL SOUNDNESS INDICATORS

	6/30/2025	12/31/2024
Current Assets	180,277,352	167,340,604
Divide by: Current Liabilities	69,383,150	56,605,644
Current Ratio	260%	296%
Total Liabilities	945,395,650	932,993,144
Divide by: Total Equity	305,273,700	268,455,377
Debt - Equity Ratio	310%	348%
Total Assets	1,250,669,350	1,201,448,521
Divided by: Total Liabilities	945,395,650	932,993,144
Solvency Ratio	132%	129%
Total Equity	305,273,700	268,455,377
Divide by: Total Assets	1,250,669,350	1,201,448,521
Equity Ratio	24%	22%
Total Assets	1,250,669,350	1,201,448,521
Divided by: Total Equity	305,273,700	268,455,377
Assets-to-Equity Ratio	410%	448%
Net Loss	(9,981,677)	(70,127,601)
Divide by: Revenue	105,746,469	57,872,252
Profitability Ratio	-9%	-121%
Net Loss	(9,981,677)	(70,127,601)
Divide by: Total Equity	305,273,700	268,455,377
Return on Equity	-3%	-26%
Net Loss	(9,981,677)	(70,127,601)
Divide by: Total Assets	1,250,669,350	1,201,448,521
Return on Assets	-1%	-6%
Revenue	105,746,469	57,872,252
Divide by: Average Total Assets	24,610,415	1,109,994,020
Asset Turnover	430%	5%
Quick Assets	19,730,438	28,375,724
Divide by: Current Liabilities	69,383,150	56,605,644
Quick Asset	28%	50%
Income (Loss) before Interest and Tax	2,109,446	(45,337,510)
Divide by: Finance Cost	12,091,123	24,790,091
Interest Rate Coverage Ratio	17%	-183%

#### 25. ANNEX-68J

This prescribes the disclosure requirements including the form and content of the schedules required by Section 6 of Part II of the Revised Securities Regulation Code (SRC) Rule 68.

## SCHEDULES

As of and for the year ended December 31, 2024

### A. Financial Assets

Name of Issuing Entity	Number of Shares	Amount shown in the Statement of Financial Position	Value based on Market Quotation at End of Reporting Period	Income Received and Accrued
Not Applicable				

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

Name of Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Not Applicable							

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

Name of Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Not Applicable							

### D. Long-Term Debt

Title of Issue and type of Obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-term debt" in related balance sheet (ii)			
			Year	Interest Rate	Total Principal Installments (per year)	Maturity Date
Long Term Loan 01 (LTL 01)	422,387,000	—	1	Grace Period	—	
			2	Grace Period	—	
			3	7.50%	31,679,025	03/21/26 - 02/21/2027
			4	9%	38,014,830	03/21/2027- 02/21/2028
			5	10.50%	44,350,635	03/21/2028 - 02/21/2029
			6	12%	50,686,440	03/21/2029 - 02/21/2030
			7	13.75%	58,078,213	03/21/2030 - 02/21/2031
			8	15.75%	66,525,953	03/21/2031 -02/21/2032
			9	15.75%	66,525,953	03/21/2032 - 02/21/2033
			10	15.75%	66,525,953	03/21/2033 - 02/21/2034
<b>Total</b>					<b>422,387,000</b>	
Long Term Loan 02 (LTL 02)	284,529,000		1	Grace Period	—	
			2	Grace Period	—	
			3	7.50%	21,339,875	03/21/26 - 02/21/2027
			4	9%	25,807,610	03/21/2027- 02/21/2028
			5	10.50%	29,875,545	03/21/2028 - 02/21/2029

Title of Issue and type of Obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-term debt" in related balance sheet (ii)			
			Year	Interest Rate	Total Principal Installments (per year)	Maturity Date
			6	12%	34,143,480	03/21/2029 - 02/21/2030
			7	13.75%	39,122,738	03/21/2030 - 02/21/2031
			8	15.75%	44,813,318	03/21/2031 - 02/21/2032
			9	15.75%	44,813,318	03/21/2032 - 02/21/2033
			10	15.75%	44,813,318	03/21/2033 - 02/21/2034
<b>Total</b>					<b>284,529,000</b>	
Medium Term Loan 01 (MTL 01)	3,000,000	750,000	1			
			2	market rate	750,000	10/21/2025 - 09/21/2026
			3	market rate	750,000	10/21/26 - 09/21/2027
			4	market rate	62,500	21/10/2027
<b>Total</b>		<b>750,000</b>			<b>1,562,500</b>	
Long Term Loan 03 (LTL 03)	90,000,000		1	Grace Period	-	
			2	Grace Period	-	
			3	7.50%	6,750,000	04/11/2026-03/11/2027
			4	9%	8,100,000	04/11/2027-03/11/2028
			5	10.50%	9,450,000	04/11/2028-03/11/2029
			6	12%	10,800,000	04/11/2029-03/11/2030
			7	13.75%	12,375,000	04/11/2030-03/11/2031
			8	15.75%	14,175,000	04/11/2031-03/11/2032
			9	15.75%	14,175,000	04/11/2032-03/11/2033
			10	15.75%	14,175,000	04/11/2033-03/11/2034
<b>Total</b>					<b>90,000,000</b>	
Long Term Loan 04 (LTL 04)	22,500,000		1	Grace Period	-	
			2	Grace Period	-	
			3	7.50%	1,687,500	05/21/2026 - 04/21/2027
			4	9%	2,025,000	05/21/2027 - 04/21/2028
			5	10.50%	2,362,500	05/21/2028 - 04/21/2029
			6	12%	2,700,000	05/21/2029 - 04/21/2030
			7	13.75%	3,093,750	05/21/2030 - 04/21/2031
			8	15.75%	3,543,750	05/21/2031 - 04/21/2032
			9	15.75%	3,543,750	05/21/2032 - 04/21/2033
			10	15.75%	3,543,750	05/21/2033 - 04/21/2034
<b>Total</b>					<b>22,500,000</b>	
<b>Grand Total</b>		<b>750,000</b>			<b>876,200,000</b>	

**E. Indebtedness to Related Parties**

Name of Related Party	Balance at January 1, 2025	Balance at June 30, 2025
	Not Applicable	

F. Guarantees of Securities of Other Issuers

Name of Issuing Entity of Securities Guaranteed by the Company	Title of Issue of each Class of Securities Guaranteed	Total Amount of Guaranteed and Outstanding	Amount Owned by Person which Statement is Filed	Name of Guarantee
Not Applicable				

G. Capital Stock

Title Issue	Number of Shares Authorized	No. of shares issued and outstanding shown under related Statement of Financial Position	No. of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Directors, Officers, and Employees	Others
Ordinary	359,400	327,030	—	—	75,900	275,710
Founder	600	600	—	—	90	420
	360,000	327,630	—	—	75,990	276,130

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Contact Numbers: (062) 991-1011 | 955-3563 | 955-5912

SEC Revised SRC Rule 68, Annex 68-B, Supplemental Written Statement of Auditor  
As Amended on August 19, 2019

**TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS**

**ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)**

Don Alfaro St., Tetuan, Zamboanga City

I have audited the interim financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (DOING BUSINESS UNDER THE NAME AND STYLE OF PREMIER MEDICAL CENTER ZAMBOANGA)** for the interim period ended June 30, 2025, on which I have rendered the attached report dated July 31, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, I am stating that the said company has a total number of thirty-six (36) shareholders owning one hundred (100) or more shares each.

  
**FLORIVEL M. DE JESUS**

Board certificate no. 87417  
TIN: 263-445-116  
PTR no 3067044

Issued on January 2, 2025 at Zamboanga City

SEC accreditation no. 87417-SEC Group C

Issued on February 22, 2021

Extended to cover the Audit of 2025 Financial Statements

BIR accreditation no: AN-15-002100-1-2022

Issued on August 15, 2022 until August 14, 2025

BOA accreditation no.0727

Issued on February 1, 2024 until January 31, 2026

DTI no. 5815061

Issued on March 13, 2024 until March 13, 2029

CDA accreditation no. 0323

Issued on February 12, 2024 until February 11, 2029

July 31, 2025

