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Hi ASIA PACIFIC MEDICAL CENTER (APMC)- AKLAN INC.,

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Submission Date/Time: **Apr 15, 2025 01:37 PM**

Company TIN: **009-900-845**

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# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	9	4	3	7
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Company Name

A	S	I	A		P	A	C	I	F	I	C		M	E	D	I	C	A	L		C	E	N	T	E	R			
(	A	P	M	C	)		-		A	K	L	A	N		I	N	C	.		(	F	o	r	m	e	r	l	y	
A	I	I	e	d		C	a	r	e		E	x	p	e	r	t	s		(	A	C	E	)						
M	e	d	i	c	a	I		C	e	n	t	e	r		-		A	k	I	a	n		I	n	c	.	)		

Principal Office ( No./Street/Barangay/City/Town)Province)

J	U	D	G	E		M	A	R	T	E	L	I	N	O		R	O	A	D	,		B	A	R	A	N	G	A	Y
A	N	D	A	G	A	O	,		K	A	L	I	B	O	,		A	K	L	A	N								

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, if applicable

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## COMPANY INFORMATION

Company's Email Address

<a href="mailto:asiapacificmedicalcenter.aklan@yahoo.com">asiapacificmedicalcenter.aklan@yahoo.com</a>
--

Company's Telephone Number/s

036-268-23-20
---------------

Mobile Number

+63917-814-6042
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No. of Stockholders

--

Annual Meeting  
Month/Day

Every 3rd Saturday of April
-----------------------------

Fiscal Year  
Month/Day

DECEMBER 31
-------------

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Simeon A. Arce, Jr.
---------------------

Email Address

<a href="mailto:simeonjraa@yahoo.com">simeonjraa@yahoo.com</a>
--

Telephone Number/s

036-268-23-20
---------------

Mobile Number

+63920-910-3907
-----------------

Contact Person's Address

2F Aklan Polyclinic and Drugstore Building, Goding Ramos St., Kalibo, Aklan
---

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

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



**ASIA PACIFIC  
MEDICAL CENTER  
AKLAN**

Formerly: Allied Care Experts (Ace) Medical Center - Aklan, Inc.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Querido Diel & Co., CPAs, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

  
**Dr. Ferjenel G. Biron**  
**Chairman of the Board**

  
**Dr. Simeon A. Arce**  
**President**

**Dr. Joahne B. Abril**  
**Treasurer**

Signed this 31<sup>st</sup> day of March 2025

Judge Martelino Road, Andagao,  
Kalibo, Aklan

(036) 268-2320

0917-814-6042

info@apmcaklan.com

asiapacificmedicalcenter-aklan.com





**ASIA PACIFIC  
MEDICAL CENTER  
AKLAN**

Formerly: Allied Care Experts (Ace) Medical Center - Aklan, Inc.

MAR 31 2025

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Dr. Simeon A. Arce, Jr.	0068829	Manila	Mar. 06, 1990
Dr. Joanne B. Abril	0110834	Manila	Aug. 29, 2007

Doc No. 15  
Page No. 12  
Book No. 32  
Series of 2025

**ROMEO PINOCENCIO**

Notary Public for the Province of Aklan  
Appointment No. 2 (2025-2026)  
Until December 31, 2026  
Roll No. 35274  
XIX Martyrs St., Kalibo, Aklan  
IBP No. 474318(MD2025)11-04-2024/Pasig City  
PTR No. 9274710-01-02-2025/Kalibo, Aklan  
MCLE Compliance No. VIII-0015997  
Issued on November 15, 2024

Judge Martelino Road, Andagao,  
Kalibo, Aklan

(036) 268-2320

0917-814-6042

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asiapacificmedicalcenter-aklan.com





**ASIA PACIFIC  
MEDICAL CENTER  
AKLAN**

Formerly: Allied Care Experts (Ace) Medical Center - Aklan, Inc.

SUBSCRIBED AND SWORN to before me this MAR 31 2025 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Dr. Ferjenel G. Biron	Phil. Passport P8912997B	DFA Manila	Feb. 10, 2022

Doc No. 129  
Page No. 27  
Book No. 01  
Series of 2025

ATTY. LADY HOPY GALLENERO-TABANAO, CPA  
Notary Public for the City and Province of Iloilo  
Notarial Commission Reg. No. 53, valid until Dec. 31, 2025  
DBO SO Bus. Center, Bk. 5, Lt. 6, Bokilao Mandurriao Iloilo City  
Attorney's Roll No. 77382 - May 7, 2022  
PTR No. 8809122 - Jan. 2, 2025 - Iloilo City  
IBP No. 490477 - Jan. 1, 2025 - Iloilo City  
MCLE Compliance No. VIII-0013680 valid until April 14, 2028

Judge Martelino Road, Andagao,  
Kalibo, Aklan

(036) 268-2320

0917-814-6042

info@apmcaklan.com

asiapacificmedicalcenter-aklan.com





Unit 501, 5<sup>th</sup> Floor, Angelus Plaza  
104 V.A. Rufino Street, Legazpi Village  
Makati City, 1229

T: 632 8552 6068

E: [adc.mgt@gmail.com](mailto:adc.mgt@gmail.com)

PRC/BOA Accreditation No. 9730  
January 17, 2024, valid until  
November 22, 2026

BIR Accreditation No. 08-008193-000-2025  
January 31, 2025, valid until  
January 30, 2028

To the Stockholders and the Board of Directors  
Asia Pacific Medical Center (APMC) – Aklan Inc.  
*(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)*  
Judge Martelino Road, Barangay Andagao  
Kalibo, Aklan

We have audited the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated March 23, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of forty-four (44) stockholders owning one hundred (100) or more shares each.

For the Firm: **QUERIDO DIEL & CO., CPAs**

**RICHARD S. QUERIDO**

Partner

CPA Certificate No. 84807

PRC/BOA Accreditation No. 9730/P-001

January 17, 2024, valid until November 22, 2026

TIN 102-094-633

BIR Accreditation No. 08-008193-001-2025

January 31, 2025, valid until January 30, 2028

PTR No. 10467446, January 3, 2025, Makati City

March 23, 2025





Unit 501, 5<sup>th</sup> Floor, Angelus Plaza  
104 V.A. Rufino Street, Legazpi Village  
Makati City, 1229

T: 632 8552 6068

E: [qdc.mgt@gmail.com](mailto:qdc.mgt@gmail.com)

PRC/BOA Accreditation No. 9730  
January 17, 2024, valid until  
November 22, 2026

BIR Accreditation No. 08-008193-000-2025  
January 31, 2025, valid until  
January 30, 2028

## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Asia Pacific Medical Center (APMC) – Aklan Inc.  
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)  
Judge Martelino Road, Barangay Andagao  
Kalibo, Aklan

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

As at December 31, 2024, we have determined that there are no key audit matters to communicate in our report.

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

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

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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





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

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, license fees and schedules prescribed under existing revenue issuances in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Richard S. Querido.

For the firm: **QUERIDO DIEL & CO., CPAs**

**RICHARD S. QUERIDO**

Partner

CPA Certificate No. 84807

PRC/BOA Accreditation No. 9730/P-001

January 17, 2024, valid until November 22, 2026

TIN 102-094-633

BIR Accreditation No. 08-008193-001-2025

January 31, 2025, valid until January 30, 2028

PTR No. 10467446, January 3, 2025, Makati City

March 23, 2025



**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2024 AND 2023***(Amounts in Philippine Pesos)*

	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Notes 2, 3 and 4)	<b>P63,113,477</b>	P68,015,190
Receivables (Notes 2, 3, 4 and 5)	<b>92,779,952</b>	2,656,675
Inventories (Notes 2, 3 and 6)	<b>19,089,796</b>	16,608,851
Advances to contractors (Notes 2, 3 and 7)	<b>30,038,406</b>	172,873,123
Prepayments and other current assets (Notes 2, 3 and 8)	<b>14,742,924</b>	72,151,887
Total Current Assets	<b>219,764,555</b>	332,305,726
<b>Noncurrent Assets</b>		
Property and equipment – net (Notes 2, 3 and 9)	<b>1,926,311,050</b>	1,605,514,142
Deposits (Notes 2, 3, 4 and 10)	<b>2,517,314</b>	2,517,314
Total Noncurrent Assets	<b>1,928,828,364</b>	1,608,031,456
<b>TOTAL ASSETS</b>	<b>P2,148,592,919</b>	P1,940,337,182
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Notes 2, 4 and 11)	<b>P148,270,100</b>	P138,755,315
Retention payables (Notes 2, 4 and 12)	<b>50,032,254</b>	58,059,427
Advances from shareholders (Notes 2, 4 and 20)	<b>284,394,349</b>	186,506,357
Loans payable – current portion (Notes 2, 4 and 13)	<b>41,068,815</b>	84,616,725
Total Current Liabilities	<b>523,765,518</b>	467,937,824
<b>Noncurrent Liability</b>		
Loans payable – noncurrent (Notes 2, 4 and 13)	<b>1,400,331,881</b>	1,253,783,971
Total Liabilities	<b>1,924,097,399</b>	1,721,721,795
<b>Equity</b>		
Share capital (Notes 2, 4 and 14)	<b>215,060,000</b>	215,060,000
Additional paid-in capital (Notes 2 and 4)	<b>236,429,500</b>	228,858,000
Deficit (Notes 2 and 4)	<b>(226,993,980)</b>	(225,302,613)
Total Equity	<b>224,495,520</b>	218,615,387
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P2,148,592,919</b>	P1,940,337,182

*See accompanying Notes to Financial Statements.*

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022***(Amounts in Philippine Pesos)*

	2024	2023	2022
<b>GROSS REVENUES</b> (Notes 2 and 15)	<b>P780,354,111</b>	P9,623,184	P–
<b>DISCOUNTS AND FREE SERVICES</b> (Note 2)	<b>(111,322,951)</b>	(211,533)	–
<b>NET REVENUES</b>	<b>669,031,160</b>	9,411,651	–
<b>COST OF SERVICES</b> (Notes 2 and 16)	<b>(495,527,057)</b>	(26,911,718)	–
<b>GROSS PROFIT (LOSS)</b>	<b>173,504,103</b>	(17,500,067)	–
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Notes 2 and 17)	<b>(153,760,156)</b>	(119,818,535)	(17,507,127)
<b>OTHER INCOME</b> (Notes 2 and 18)	<b>6,508,831</b>	311,577	74,764
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>26,252,778</b>	(137,007,025)	(17,432,363)
<b>FINANCE COSTS</b> (Notes 2 and 13)	<b>(27,815,643)</b>	(17,414,705)	–
<b>LOSS BEFORE INCOME TAX</b>	<b>(1,562,865)</b>	(154,421,730)	(17,432,363)
<b>PROVISION FOR INCOME TAX</b> (Notes 2 and 21)	<b>128,502</b>	–	–
<b>NET LOSS</b>	<b>(P1,691,367)</b>	(P154,421,730)	(P17,432,363)
<b>LOSS PER SHARE</b> (Notes 2 and 22)	<b>(P7.86)</b>	(P718.04)	(P81.06)

*There was no other comprehensive income during the years ended December 31, 2024, 2023 and 2022.**See accompanying Notes to Financial Statements.*

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022***(Amounts in Philippine Pesos)*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>SHARE CAPITAL</b> (Notes 2, 4 and 14)	<b>P215,060,000</b>	P215,060,000	P215,060,000
<b>ADDITIONAL PAID-IN CAPITAL</b> (Notes 2 and 4)	<b>236,429,500</b>	228,858,000	200,217,500
<b>DEFICIT</b> (Notes 2 and 4)			
Balance at beginning of year	<b>(225,302,613)</b>	(70,880,883)	(53,448,520)
Net loss	<b>(1,691,367)</b>	(154,421,730)	(17,432,363)
Balance at end of year	<b>(226,993,980)</b>	(225,302,613)	(70,880,883)
	<b>P224,495,520</b>	P218,615,387	P344,396,617

*See accompanying Notes to Financial Statements.*



**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022***(Amounts in Philippine Pesos)*

	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax	(P1,562,865)	(P154,421,730)	(P17,432,363)
Adjustments for:			
Depreciation (Notes 9, 16 and 17)	70,781,763	4,578,615	192,393
Finance costs (Note 13)	27,815,643	17,414,705	–
Interest income (Note 18)	(83,710)	(38,996)	(74,764)
Income (loss) before working capital changes	96,950,831	(132,467,406)	(17,314,734)
Decrease (increase) in:			
Receivables (Note 5)	(90,123,277)	(2,608,675)	–
Inventories (Note 6)	(2,480,945)	(16,608,851)	–
Prepayments and other current assets (Note 8)	4,444,039	(4,541,297)	(64,270)
Increase in accounts and other payables (Note 11)	9,514,785	134,079,217	2,192,673
Net cash generated from (used for) operations	18,305,433	(22,147,012)	(15,186,331)
Interest received	83,710	38,996	74,764
Income tax paid	(4,462,805)	–	–
Interest paid	(38,062,736)	(17,414,705)	–
Net cash used in operating activities	(24,136,398)	(39,522,721)	(15,111,567)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Application of (advance) payments to contractors (Note 7)	142,834,717	(63,175,714)	(77,462,758)
Application of (advance) payments to suppliers (Note 8)	67,546,320	(25,585,237)	(41,961,083)
Retention from (release of) payment to contractors (Note 12)	(8,027,173)	20,690,583	(2,739,809)
Payment of deposits (Note 10)	–	(2,517,314)	–
Finance costs capitalized as property and equipment (Notes 9 and 13)	(24,888,457)	(56,634,529)	–
Additions to property and equipment (Note 9)	(366,690,214)	(756,513,386)	(293,075,679)
Net cash used in investing activities	(189,224,807)	(883,735,597)	(415,239,329)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans payable (Notes 13 and 23)	150,000,000	894,411,585	390,000,000
Proceeds from (payments of) advances from stockholders (Notes 20 and 23)	97,887,992	149,513,267	(16,018,274)
Proceeds from subscription of share capital (Note 14)	7,571,500	28,640,500	80,468,500
Payments of loans payable (Notes 13 and 23)	(47,000,000)	(141,010,889)	(50,000,000)
Net cash provided by financing activities	208,459,492	931,554,463	404,450,226
<b>NET INCREASE (DECREASE) IN CASH</b>	(4,901,713)	8,296,145	(25,900,670)
<b>CASH AT BEGINNING OF YEAR</b>	68,015,190	59,719,045	85,619,715
<b>CASH AT END OF YEAR</b>	P63,113,477	P68,015,190	P59,719,045

	2024	2023	2022
<b>CASH AT END OF YEAR CONSISTS OF:</b>			
Cash on hand	<b>P448,003</b>	P931,434	P-
Cash in banks	<b>62,665,474</b>	67,083,756	59,719,045
	<b>P63,113,477</b>	P68,015,190	P59,719,045

*See accompanying Notes to Financial Statements.*

## **ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.**

*(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*

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### **NOTES TO FINANCIAL STATEMENTS**

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#### **1. General Information**

Asia Pacific Medical Center (APMC) - Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.) [the Company] was registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 2017 to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical, laboratories, diagnostic centers, ambulatory clinics, scientific research and educational institutions and other allied undertaking and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The Company's Board of Directors (BOD) and Stockholders representing at least 2/3 of the outstanding share capital at their respective meetings on June 4, 2020 and June 14, 2020, approved to change the Company's corporate name from Allied Care Experts (ACE) Medical Center - Aklan Inc. to Asia Pacific Medical Center (APMC) - Aklan Inc. On December 3, 2020, the SEC approved the amendment to the Articles of Incorporation of the Company to change the Company's corporate name.

The Company's office address is located at Judge Martelino Road, Barangay Andagao, Kalibo, Aklan.

The Company has six hundred ninety four (694) and five hundred twelve (512) employees as at December 31, 2024 and 2023, respectively.

The accompanying financial statements of the Company for the year ended December 31, 2024 were approved and authorized for issue by the BOD on March 23, 2025.

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#### **2. Summary of Material Accounting Policies and Disclosures**

##### Basis of Preparation

The accompanying financial statements of the Company have been prepared on a historical cost basis, except as otherwise stated. The financial statements are presented in Philippine peso, which is the functional and presentation currency under the Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso except as otherwise indicated.

##### Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards (PAS) and Interpretations issued by former Standing Interpretations Committee, the Philippine Interpretations Committee and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC.

#### Changes in Accounting Policies

The Company consistently adopted and applied all accounting policies under PFRS which have been issued and becomes effective except adoption of the following amendments effective beginning January 1, 2024. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to PAS 1, "*Presentation of Financial Statements – Noncurrent Liabilities with Covenants*"

The amendments clarify how conditions with which an entity must comply within twelve months after the reporting date affect the classification of a liability. The amendments modify the requirements introduced by PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent*, on how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or noncurrent. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that noncurrent liabilities with covenants could become repayable within twelve months.

The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 7 and PFRS 7, "*Supplier Finance Arrangements*"

The disclosure requirements in the amendments enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 16, "*Leases – Lease Liability in a Sale and Leaseback*"

The amendments specify how a seller-lessee should apply the subsequent measurement requirements in PFRS 16 to the lease liability that arises in the sale and leaseback transaction. The amendments require 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 relating to the partial or full termination of a lease. The amendments also do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The adoption of this amendment is not expected to have any significant impact on the financial statements.



New Accounting Standards, Amendments to Existing Standards and Interpretations  
Effective Subsequent to December 31, 2024

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2024 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

*Effective beginning on or after January 1, 2025*

- Amendment to PAS 21, "*Lack of Exchangeability*"

The amendment is to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

- Amendment to PFRS 17, "*Initial Application of PFRS 17 and PFRS 9 – Comparative Information*"\*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The adoption of this amendment is not expected to have any significant impact on the financial statements.

*\*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 IFRS 17 by two (2) years after its effective date as decided by the IASB.*

*Effective beginning on or after January 1, 2026*

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

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise 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.

*Effective beginning on or after January 1, 2027*

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

The objective of PFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

- PFRS 19, "*Subsidiaries without Public Accountability*"

The objective of the Standard is to alleviate the reporting burden for subsidiaries without public accountability.

*Deferred Effectivity*

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

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

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

These amendments may apply to future transactions of the Company.

- Deferment of Implementation of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, "*Borrowing Cost*") for the Real Estate Industry

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35 (c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

On February 21, 2020, the Philippine SEC issued MC No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

The adoption of this amendment is not expected to have any significant impact on the financial statements since the Company is not in a real estate industry.

#### *No Mandatory Effective Date*

- PFRS 9, "Financial Instruments (Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39)"

The amendments require the inclusion of general hedge accounting model in the notes disclosure to the financial statements. The amendments allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss (FVPL) to be presented in the other comprehensive income.

These amendments are not applicable to the Company and expected not to have an impact on the financial statements.

#### Material Accounting Policies

##### Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification. An asset is current if:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities, if any, are classified as noncurrent assets and liabilities.

##### Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy.

#### Financial Instruments

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

#### Date of Recognition

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

#### "Day 1" Difference

Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

#### Financial Assets

##### Initial Recognition

Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.



#### Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Company's business model for managing the asset and its contractual cash flow characteristics.

#### Financial Assets at Amortized Cost

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

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

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

As at December 31, 2024 and 2023, the Company's cash, receivables and deposits are classified under this category.

#### Debt Instruments at FVOCI

For debt instruments that are not designated at FVPL under the fair value option, the financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are classified from equity to profit or loss as a reclassification adjustment.

As at December 31, 2024 and 2023, the Company does not have debt instruments at FVOCI.

#### Equity Instruments at FVOCI

For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, "*Financial Instruments: Presentation*". This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2024 and 2023, the Company does not have equity instruments at FVOCI.

#### Financial Assets at FVPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2024 and 2023, the Company has no financial assets at FVPL.

#### Reclassification

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

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

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

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

#### Impairment of Financial Assets at Amortized Cost and FVOCI

The Company recognizes an allowance for ECL for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the nonpayment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Derecognition

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

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

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

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

### *Financial Liabilities*

#### *Initial Measurement*

Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

#### *Classification and Subsequent Measurement*

The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

#### *Financial liabilities at FVPL*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at FVPL.

As at December 31, 2024 and 2023, the Company does not have financial liabilities at FVPL.

#### *Financial liabilities at amortized cost*

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

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at December 31, 2024 and 2023, the Company's accounts and other payables (except government payables), retention payables, advances from shareholders and loans payable are classified under this category.



#### Derecognition

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

#### Fair Value Option

The Company may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortized cost or FVOCI to be measured at FVPL if doing so would eliminate or significantly reduce an accounting mismatch or otherwise results in more relevant information.

#### Classification of Financial Instrument between Liability and Equity

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

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

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

#### Offsetting of Financial Assets and Liabilities

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

#### Inventories

Inventories is stated at the lower of cost and net realizable value. The net realizable value of inventories are the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of inventories is the current replacement cost. Cost is calculated using the first-in first-out (FIFO) method.

#### Advances to Contractors

Advances to contractors are downpayments paid to contractors. These are carried at face amount in the statements of financial position and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings.

### Prepayments and Other Current Assets

#### *Prepaid Interest*

Prepaid interest represents advance payment of interest from loans payable but not yet incurred.

#### *Creditable Withholding Tax*

Creditable withholding tax is an amount that is withheld from income payments. This is deducted from income tax payable.

#### *Input VAT*

Input VAT represents value-added tax (VAT) paid to suppliers that can be claimed as credit against the Company's VAT liabilities.

#### *Advances to Suppliers*

Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at face amount in the statements of financial position and are recognized to appropriate asset account or in profit or loss when the services or materials for which the advances were made are received and delivered.

### Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and accumulated provision for any impairment in value, if any.

The initial cost of property and equipment comprises its purchase price and other costs directly attributable in bringing the assets to its working condition and location for its intended use. Expenditures incurred after the property have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. In situations when it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance and the cost of such item can be measured reliably, the expenditures are capitalized as an additional cost of the said property and equipment.

Land is stated at cost less impairment in value, if any.

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

<u>Property and Equipment</u>	<u>No. of years</u>
Hospital building	50
Medical equipment, tools and instruments	10
Hospital furnishings, fixtures and office equipment	5
Transportation equipment	10
Computerization	3

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property.

Construction in progress represents structures under constructions and is stated at cost (includes cost of construction, machinery and equipment under installation and other related costs). Construction in progress is not depreciated until such time as the relevant assets are completed and ready for its intended use.

The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

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

#### Impairment of Nonfinancial Assets

Inventories, property and equipment, advances to contractors, and prepayments and other current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment losses are recognized in the statements of comprehensive income.

Recovery of impairment loss recognized in prior years is recorded on nonfinancial asset when there is an indication that the impairment loss recognized for the asset no longer exists or has decreased. The recovery is recorded in the statements of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

#### Equity

##### *Share Capital*

Share capital is recognized as issued when the share is paid for or subscribed under a binding subscription agreement and is measured at par value.

The share capital is classified into founders' share and common share.

##### *Additional Paid-in Capital*

Proceeds and/or fair value considerations received in excess of par value.

##### *Deficit*

Deficit includes all current and prior period results of operations as disclosed in the statements of comprehensive income.

#### Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

#### *Patient Revenues*

Patient revenue comprises the fair value of the consideration received or receivable from the sale of services in the ordinary course of the Company's activities, net of VAT (if applicable) and discounts.

The Company often provides discounts and free services to underprivileged patients, senior citizens and its employees. Discounts and free services are presented within "Discounts and free services" and deducted from gross revenue in statements of comprehensive income.

The Company classifies the patient revenues as in-patient, out-patient and emergency services.

In-patient, out-patient and emergency revenues are exempted from VAT, except for the sale of drugs and medicines arising from out-patient services activities which are considered taxable transactions pursuant to the relevant provisions of the Consolidated Value-Added Tax Regulations of 2005 (Revenue Regulations 16-2005).

Patient revenues are recognized in the period when the services are rendered or when the Company has delivered to the patient and the patient has accepted the products. In-patient, out-patient and emergency medical procedures are generally completed in a very short span of time and charges are captured and billed as of close of day. By the nature of the services, no material performance obligation will remain uncompleted at each reporting period end, and thus, measuring the progress of the performance obligation is not considered necessary.

#### *Interest Income*

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

#### *Other Income*

Income from other services are recognized when rendered and when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

#### Cost and Expenses

Costs and expenses are recognized in the statements of comprehensive income upon utilization of goods and/or service or at the date these are incurred.

#### Short-term Employee Benefits

Short-term employee benefits are employee benefits which fall due within twelve months after the end of the period in which the employees render the related service. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company include salaries and wages, social security contributions, short-term compensated absences, profit sharing and bonuses, and non monetary benefits. Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the statements of financial position date. These are included in salaries and wages account at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

#### Borrowing Costs

Borrowing costs are generally recognized as expense in the year in which these costs are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for its intended use. It includes interest expense, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that these are regarded as an adjustment to interest costs.

#### Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has the following:

- the contract involves an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. The Company has the right to direct the use of the asset of either:
  - a. the Company has the right to operate the asset; or
  - b. the Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### *Short-term Leases and Leases of Low-Value Assets*

The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### Taxes

##### *Current Income Tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

*Deferred Income Tax*

Deferred income tax is provided using the liability method on temporary differences at the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or 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 profit nor taxable profit or loss; and (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused net operating loss carry-over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefit of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to the deductible temporary difference arises 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 profit nor taxable profit or loss; and (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

#### Related Parties

A party is considered to be related to the Company if it has the ability, directly or indirectly through one or more intermediaries, to control, is controlled by, or is under common control with, the Company; or exercises significant influence over the Company in making financial and operating decisions; or has a joint control over the Company. It is also related to the Company if a party is an associate, a joint venture in which the Company is a venturer, a member of the key management personnel of the Company or its parent, a close member of the family of Company's related party, an entity controlled, jointly controlled or significantly influenced by a key management personnel of the Company or close member of the family of Company's related party, and a post-employment benefit plan for the benefit of employees of the Company or its related party. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to nonrelated parties.

#### Provisions

Provisions are recognized when the Company has present obligations, legal or constructive, as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income, net of any reimbursements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

#### Contingencies

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

#### Loss Per Share

Basic loss per share is calculated by dividing the net loss (less preferred dividends net of tax, if any) for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

#### Events After the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

### Judgments

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

#### *Business Model Assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### *Significant Increase of Credit Risk*

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The input to these models is taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.

#### *Classification of Financial Instruments*

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or OCI.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

#### *Determining whether an Agreement Contains a Lease*

The Company uses its judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement at inception date and makes assessment whether the arrangement is dependent on the use of a specific asset or assets, the arrangement conveys a right to use the asset and the arrangement transfers substantially all the risks and rewards incidental to ownership to the Company.

#### *Operating Lease*

The Company has entered into lease arrangements either as a lessor or as a lessee. In determining whether all significant risks and rewards of ownership remain with the lessor or transferred to the lessee, the following factors are considered:

- a. the ownership of the asset does not transfer at the end of the lease term;



- b. there is no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;
- c. the lease term is not for the major part of the economic life of the asset even if title is not transferred;
- d. the leased assets are not of such specialized nature that only lessee can use them without major modifications.

The Company accounted for its lease arrangements as operating lease (see Note 19).

#### *Determining the Fair Values of Financial Instruments*

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### *Recoverability of Property and Equipment*

The carrying value of property and equipment is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those assessment and judgment could have a significant effect on the carrying value of property and equipment and the amount and timing of recorded provision for any period. Management believes, based on facts and circumstances at December 31, 2024 and 2023, that there are no indicators that the remaining carrying amount of property and equipment may not be recoverable.

#### Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed as follows:

#### *Assessment for ECL on Patient Receivables*

The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for patient receivables. The provision matrix specifies provision rates depending on the number of days that patient receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each patient segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on patient receivables is sensitive to changes in assumptions about forecasted economic conditions.

No provision for ECL on patient receivables for the years ended December 31, 2024 and 2023. Patient receivables amounted to P89,040,438 and P2,084,528 as at December 31, 2024 and 2023, respectively (see Note 5).

*Assessment for ECL on Other Financial Assets at Amortized Cost*

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2024 and 2023. The carrying amounts of other financial assets at amortized cost are as follows:

	2024	2023
Cash in banks	<b>P62,665,474</b>	P67,083,756
Receivables from employees and officers	<b>3,739,514</b>	572,147
Deposits	<b>2,517,314</b>	2,517,314
	<b>P68,922,302</b>	P70,173,217

*Impairment of Inventories*

The Company recognizes impairment on inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The impairment is reviewed on a monthly basis to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the period.

No impairment loss on inventories was recognized for the years ended December 31, 2024 and 2023. Inventories amounted to P19,089,796 and P16,608,851 as at December 31, 2024 and 2023, respectively (see Note 6).

*Assessment for Impairment of Nonfinancial Assets Other than Inventories*

The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on nonfinancial assets was recognized for the years ended December 31, 2024 and 2023. The carrying amount of nonfinancial assets is as follows:

	2024	2023
Property and equipment	<b>P1,926,311,050</b>	P1,605,514,142
Advances to contractors	<b>30,038,406</b>	172,873,123
Prepayment and other current assets	<b>14,742,924</b>	72,151,887
	<b>P1,971,092,380</b>	P1,850,539,152

*Estimating Useful Lives of Property and Equipment, Except Land*

The estimated useful lives used as basis for depreciating the Company's property and equipment, excluding land, were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets.

The carrying amount of property and equipment, except land, amounted to P1,832,214,565 and P1,511,417,657 as at December 31, 2024 and 2023, respectively (see Note 9).

*Fair value estimation of Land and Buildings*

In determining the fair value of land and buildings, the Company, through the professional services of the independent appraisers, utilized a combination of market and cost approach. In market approach, the value of the land is based on recorded sales and listings (or asking prices) of comparable property registered within the vicinity. The technique of this approach requires establishing of comparable property by reducing reasonable comparative sales and listings to a common denominator. Meanwhile, the value of the buildings and building improvements was arrived at using the cost approach. Under this approach, an estimate is made of the current cost of reproduction of the buildings in accordance with the prevailing market prices of materials, labor, contractor's overhead, profit and fees. Adjustments are then made to reflect depreciation resulting from physical deterioration and functional or economic obsolescence.

*Recognition of Deferred Tax Assets*

The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The management believes that the Company will not be able to realize the NOLCO in the future. The Company provided full valuation allowance on its NOLCO, thus no deferred tax asset was recognized as at December 31, 2024 and 2023.

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**4. Financial Risk Management Objectives and Capital Management**

Financial Risk Management Objectives and Policies

The main purpose of the Company's financial instruments is to fund its operations. The Company's principal financial instruments arising from operations consist of cash, receivables, deposits, accounts and other payables, retention payables, advances from shareholders and loans payable. The main risks from the use of financial instruments are credit and liquidity risk.

The Company does not have foreign currency risk because the Company has no monetary assets and liabilities denominated in foreign currency both for 2024 and 2023.

The Company's BOD reviews and approves the policies for managing each of these risks and these are summarized below:

Credit Risk

The Company's exposure to credit risk arises from the failure on the part of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of other financial assets at amortized cost.

The carrying amounts of financial assets at amortized costs represent its maximum credit exposure.

*Patient Receivables*

To measure the ECL, patient receivables of the Company have been grouped based on shared credit risk characteristics and days past due. In calculating the ECL rates, the Company considers historical data. The Company has identified the gross domestic product, consumer price index, unemployment rate and inflation rate to be the most relevant factors and accordingly adjusted the historical loss rates based on expected changes in these factors.

In determining the aging bracket of the patient receivables, management also continuously analyze the historical collection profiles of the different group of guarantors.

For individual patients and government accounts, management has assessed, based on the historical collection profile, that receivables are collected beyond agreed collection period. This resulted in generally higher ECL rates applied to outstanding receivables.

For corporate accounts, management has assessed that they are most likely to settle their obligations within the agreed collection period based on the historical collection profile.

The tables below show the exposure to credit risk by type of counterparty as well as the analysis of age of patient receivables as at December 31, 2024 and 2023:

**As at December 31, 2024**

Age Analysis of Patient Receivables					
	Current	31 to 60 days	61 to 90 days	Over 91 days	Total
Government	P20,733,199	P20,840,170	P16,661,369	P17,659,320	P75,894,058
Corporate accounts	1,447,712	319,241	217,158	321,899	2,306,010
Private individual patients	8,189,981	1,304,015	686,824	659,550	10,840,370
	P30,370,892	P22,463,426	P17,565,351	P18,640,769	P89,040,438

**As at December 31, 2023**

Age Analysis of Patient Receivables					
	Current	31 to 60 days	61 to 90 days	Over 91 days	Total
Government	P1,435,944	P–	P–	P–	P1,435,944
Private individual patients	648,584	–	–	–	648,584
	P2,084,528	P–	P–	P–	P2,084,528

The Company has only started operations in December 2023 and no allowance for ECL was provided for patient receivables for the years ended December 31, 2024 and 2023.

*Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost are composed of cash in banks, receivables from employees and officers and deposits. The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

The tables below present the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

December 31, 2024				
	Financial asset at amortized cost			Total
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
Cash in banks	P62,665,474	P–	P–	P62,665,474
Receivables from employees and officers	3,739,514	–	–	3,739,514
Deposits	–	2,517,314	–	2,517,314
	P66,404,988	P2,517,314	P–	P68,922,302

  

December 31, 2023				
	Financial asset at amortized cost			Total
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
Cash in banks	P67,083,756	P–	P–	P67,083,756
Receivables from employees and officers	572,147	–	–	572,147
Deposits	–	2,517,314	–	2,517,314
	P67,655,903	P2,517,314	P–	P70,173,217

#### Liquidity Risk

In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

To meet the Company's short-term obligations and funding for the construction of its building, the Company will call for payment of the subscription receivable from the shareholders. Also, the Company secured from Development Bank of the Philippines a credit line facility on August 19, 2020 as one of its sources in funding the construction of the hospital building.

The tables below summarize the maturity profile of the Company's financial assets and liabilities as of December 31, 2024 and 2023 based on contractual and undiscounted payments.

#### As at December 31, 2024

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
<b>Financial liabilities:</b>					
Accounts and other payables*	P141,717,263	P–	P–	P–	P141,717,263
Retention payable	–	50,032,254	–	–	50,032,254
Advances from shareholders	–	284,394,349	–	–	284,394,349
Loans payable	–	41,068,815	679,033,681	721,298,200	1,441,400,696
	P141,717,263	P375,495,418	P679,033,681	P721,298,200	P1,917,544,562

\*Excluding government payables amounting to P5,639,561 as at December 31, 2024.

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
<b>Financial assets:</b>					
Cash	P63,113,477	P–	P–	P–	P63,113,477
Receivables	92,779,952	–	–	–	92,779,952
Deposits	–	–	–	2,517,314	2,517,314
	<b>P155,893,429</b>	<b>P–</b>	<b>P–</b>	<b>P2,517,314</b>	<b>P158,410,743</b>

As at December 31, 2023

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
<b>Financial liabilities:</b>					
Accounts and other payables*	P135,569,571	P–	P–	P–	P135,569,571
Retention payable	–	58,059,427	–	–	58,059,427
Advances from shareholders	–	186,506,357	–	–	186,506,357
Loans payable	–	84,616,725	564,111,498	689,672,473	1,338,400,696
	<b>P135,569,571</b>	<b>P329,182,509</b>	<b>P564,111,498</b>	<b>P689,672,473</b>	<b>P1,718,536,051</b>
<b>Financial assets:</b>					
Cash	P68,015,190	P–	P–	P–	P68,015,190
Receivables	2,656,675	–	–	–	2,656,675
Deposits	–	–	–	2,517,314	2,517,314
	<b>P70,671,865</b>	<b>P–</b>	<b>P–</b>	<b>P2,517,314</b>	<b>P73,189,179</b>

\*Excluding government payables amounting to P3,185,744 as at December 31, 2023.

#### Fair Values of Financial Instruments

The historical cost carrying amounts of the Company's financial assets and financial liabilities, except deposits and noncurrent portion of loans payable, are all subject to normal credit terms, and are short-term in nature, and approximate their fair values. Details are as follows:

	2024	2023
<b>Financial assets:</b>		
Cash	<b>P63,113,477</b>	P68,015,190
Accounts and other receivables	<b>92,779,952</b>	2,656,675
Deposits	<b>2,517,314</b>	2,517,314
	<b>P158,410,743</b>	P73,189,179
<b>Financial liabilities:</b>		
Accounts and other payables*	<b>P141,717,263</b>	P135,569,571
Retention payable	<b>50,032,254</b>	58,059,427
Advances from shareholders	<b>284,394,349</b>	186,506,357
Loans payable	<b>1,441,400,696</b>	1,338,400,696
	<b>P1,917,544,562</b>	P1,718,536,051

\*Excluding government payables amounting to P5,639,561 and P3,185,744 as at December 31, 2024 and 2023, respectively.

#### Capital Management

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

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

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

	2024	2023	2022
Share capital	<b>P215,060,000</b>	P215,060,000	P215,060,000
Additional paid in capital	<b>236,429,500</b>	228,858,000	200,217,500
Deficit	<b>(226,993,980)</b>	(225,302,613)	(70,880,883)
	<b>P224,495,520</b>	P218,615,387	P344,396,617

## 5. Receivables

This account consists of:

	2024	2023
Patient receivables	<b>P89,040,438</b>	P2,084,528
Receivables from employees and officers	<b>3,739,514</b>	572,147
	<b>P92,779,952</b>	P2,656,675

Patient receivables arise from healthcare, accommodation and other ancillary services which are generally on a 15-60-day credit term.

Receivables from employees and officers pertain to noninterest-bearing cash advances which are settled through liquidation.

There is no concentration of credit risk with respect to patient receivables.

## 6. Inventories

This account consists of:

	2024	2023
Pharmaceutical products	<b>P10,780,817</b>	P10,803,368
Laboratory and other hospital supplies	<b>8,308,979</b>	5,805,483
	<b>P19,089,796</b>	P16,608,851

The cost of inventories recognized as expense and included in the cost of services amounted to P138,811,446 in 2024 and P14,458,139 in 2023.

## 7. Advances to Contractors

Advances to contractor represents advances for awarded project activity and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings.

Advances to contractors amounted P30,038,406 and P172,873,123 as at December 31, 2024 and 2023, respectively.



## 8. Prepayments and Other Current Assets

This account consists of:

	2024	2023
Prepaid interest	<b>P10,247,093</b>	P–
Creditable withholding tax	<b>4,334,303</b>	–
Input VAT	<b>161,528</b>	4,605,567
Advances to suppliers	<b>–</b>	67,546,320
	<b>P14,742,924</b>	P72,151,887

Advances to suppliers represents advance payment of medical equipment and furniture, and software that are not yet delivered.

## 9. Property and Equipment

This account consists of:

	2023	Additions	Reclassification/ Disposal	2024
<b>Cost:</b>				
Land	P94,096,485	P–	P–	<b>P94,096,485</b>
Hospital building	–	1,137,288	960,029,147	<b>961,166,435</b>
Construction in progress	1,092,834,019	269,648,194	(960,029,147)	<b>402,453,066</b>
Medical equipment, tools and instruments	354,559,924	93,245,560	–	<b>447,805,484</b>
Hospital furnishings, fixtures and office equipment	61,509,100	24,139,502	–	<b>85,648,602</b>
Transportation equipment	4,474,826	–	–	<b>4,474,826</b>
Computerization	3,208,600	3,408,127	–	<b>6,616,727</b>
	<b>1,610,682,954</b>	<b>391,578,671</b>	<b>–</b>	<b>2,002,261,625</b>
<b>Accumulated depreciation:</b>				
Hospital building	–	19,206,509	–	<b>19,206,509</b>
Medical equipment, tools and instruments	2,954,666	35,259,207	–	<b>38,213,873</b>
Hospital furnishings, fixtures and office equipment	2,087,728	14,776,017	–	<b>16,863,745</b>
Transportation equipment	37,290	447,482	–	<b>484,772</b>
Computerization	89,128	1,092,548	–	<b>1,181,676</b>
	<b>5,168,812</b>	<b>70,781,763</b>	<b>–</b>	<b>75,950,575</b>
<b>Net book value</b>	<b>P1,605,514,142</b>			<b>P1,926,311,050</b>

	2022	Additions	Disposal	2023
Cost:				
Land	P94,096,485	P–	P–	P94,096,485
Construction in progress	702,384,661	390,449,358	–	1,092,834,019
Medical equipment, tools and instruments	–	354,559,924	–	354,559,924
Hospital furnishings, fixtures and office equipment	1,053,893	60,455,207	–	61,509,100
Transportation equipment	–	4,474,826	–	4,474,826
Computerization	–	3,208,600	–	3,208,600
Leasehold improvements	58,107	–	58,107	–
	797,593,146	813,147,915	58,107	1,610,682,954
Accumulated depreciation:				
Medical equipment, tools and instruments	–	2,954,666	–	2,954,666
Hospital furnishings, fixtures and office equipment	591,165	1,496,563	–	2,087,728
Transportation equipment	–	37,290	–	37,290
Computerization	–	89,128	–	89,128
Leasehold improvements	57,139	968	58,107	–
	648,304	4,578,615	58,107	5,168,812
Net book value	P796,944,842			P1,605,514,142

Depreciation were charged as follows;

	2024	2023	2022
Cost of services	<b>P31,675,317</b>	P3,241,929	P–
General and administrative expenses	<b>39,106,446</b>	1,336,686	192,393
	<b>P70,781,763</b>	P4,578,615	P192,393

Land pertains to properties located in Kalibo, Aklan with a total area of 9,500 square meters, where its hospital building is being constructed.

Construction in progress pertains to building under construction to be used as hospital upon completion.

Beginning 2019, the Company entered into contracts with various contractors and suppliers for the construction of its hospital building.

In 2024, the Company reclassified construction in progress account amounting to P960,029,147 to hospital building account.

As at December 31, 2024, total estimated cost to complete the hospital building amounted to P1.5 billion, and construction is estimated to be completed by May 2025.

As certified by construction managers, the estimated percentages of completion as at December 31, 2024 are as follows:

Description	Progress Report
Civil structural works	100.00%
Site development and auxiliary structures	100.00%
Perimeter fence and road networks	100.00%
Electronics and auxiliary works	100.00%
Electrical works	100.00%
Elevator and escalator	100.00%
Medical gas	99.80%
Mechanical works	98.97%
Plumbing works	96.40%
Architectural and fit out works	94.91%
Fire protection works	93.62%

Overall percentage of completion of the hospital building is at 98.65% as at December 31, 2024.

On November 15, 2021, the Company entered into a Mortgage Agreement with Development Bank of the Philippines (DBP) for loan and credit accommodations to finance the construction of the hospital building and acquisition of medical instruments, furniture and appliances. The Mortgage Agreement is secured by the land together with the building and improvements now existing or which may thereafter exist thereon.

The terms and conditions of the Mortgage Agreement were as follows:

- a) keep the mortgaged property in good condition;
- b) pay on time the lawful taxes and assessments of the mortgaged property;
- c) insure the mortgaged property;
- d) the Company shall not transfer, lease, mortgage or encumber the property, or demolish or make any alteration without first obtaining the Mortgagee's written consent.

The carrying amount of the mortgaged property amounted to P1,916,885,945 as at December 31, 2024.

There were no amount of compensations received from any third parties for items of property and equipment that were impaired, lost or given up.

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## 10. Deposits

Deposits represent refundable deposits from service providers of utilities amounting to P2,517,314 as at December 31, 2024 and 2023 and nil as at December 31, 2022.

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**11. Accounts and Other Payables**

This account consists of:

	2024	2023
Accounts payable	<b>P141,702,417</b>	P135,554,363
SSS/PHIC/HDMF contributions and loans payable	<b>2,647,959</b>	1,620,795
Withholding tax payable	<b>2,991,602</b>	1,564,949
Construction bond	<b>568,008</b>	—
Unearned revenue	<b>198,993</b>	—
Advance rent	<b>146,275</b>	—
Other payables	<b>14,846</b>	15,208
	<b>P148,270,100</b>	P138,755,315

Unearned revenue pertains to downpayment of patients not yet discharged.

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**12. Retention Payable**

Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. The amount will be released to the contractor, net of deductions, if any, upon full completion and final acceptance by the Company.

Retention payable amounted P50,032,254 and P58,059,427 as at December 31, 2024 and 2023, respectively.

### 13. Loans Payable

		2024	2023
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable on or before November 29, 2033. The effective interest rate ranges from 4.50% to 8.00% per annum. In 2024, the bank agreed to change the terms extending the grace period of quarterly payments and interest to 8.25%. All loans are secured by the Company's land together with the building and improvements now existing or which may thereafter exist thereon (see Note 9). The loan proceeds were used to finance the construction of the hospital building.	<b>P1,100,000,000</b>	P950,000,000
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable on or before February 10, 2033. The effective interest rate ranges from 6.40% to 8.70% per annum. In 2024, the bank agreed to change the terms extending the grace period of quarterly payments and interest to 8%. All loans are secured by the Company's land together with the building and improvements now existing or which may thereafter exist thereon (see Note 9). The loan proceeds were used to finance the hospital machinery and equipment.	<b>331,400,696</b>	331,400,696
Aklan Zion Ventures Inc.	Short-term loans payable after one month from execution of the loan agreement and bearing an interest of 8.50% per annum. The loan proceed was used to finance the construction of the hospital building and pay-off advances used as bridge financing to construction.	<b>10,000,000</b>	10,000,000
Phil Pharmawealth, Inc.	Short-term loans payable after one month from execution of the loan agreement and bearing an interest ranges from 4.50% to 8.50% per annum. The loan proceed was used to finance the construction of the hospital building and pay-off advances used as bridge financing to construction.	<b>—</b>	47,000,000
Total		<b>1,441,400,696</b>	1,338,400,696
Less current portion		<b>41,068,815</b>	84,616,725
		<b>P1,400,331,881</b>	P1,253,783,971

Borrowing costs incurred from the loan related to construction of hospital building were capitalized as part of the construction in progress amounted to P24,888,457 and P56,634,529 in 2024 and 2023, respectively.

Borrowing costs incurred from the loan amounted to P27,815,643 in 2024 and P17,414,705 in 2023, charged as finance cost in the statements of comprehensive income.

#### 14. Share Capital

This account consists of:

	2024	2023	2022
Authorized share capital			
600 founders' shares at P1,000 par value	<b>P600,000</b>	P600,000	P600,000
239,400 common shares at P1,000 par value	<b>239,400,000</b>	239,400,000	239,400,000
	<b>P240,000,000</b>	P240,000,000	P240,000,000
Subscribed			
600 founders' shares at P1,000 par value	<b>P600,000</b>	P600,000	P600,000
Balance at beginning – 214,460 common shares in 2024 and 2023, and 209,800 common shares in 2022	<b>214,460,000</b>	214,460,000	209,800,000
Current year subscription – 4,660 common shares in 2022	–	–	4,660,000
Balance at end of year – 214,460 common shares	<b>214,460,000</b>	214,460,000	214,460,000
	<b>P215,060,000</b>	P215,060,000	P215,060,000

On January 26, 2021, the Company applied with the SEC for the registration of its 35,420 common shares to be sold at 10 shares per block which is equivalent to 3,542 blocks. The application was approved on June 24, 2021.

Below are the details of registered common shares:

Date of Registration	Number of Blocks Licensed*	Issue/Offer Price Per Block
June 24, 2021	1,942	P250,000
June 24, 2021	1,200	300,000
June 24, 2021	400	350,000

\*10 shares per block

The founders' share has the exclusive right to vote and be voted upon in the election of directors for a limited period not to exceed five (5) years.

#### 15. Gross Revenues

This account consists of:

	2024	2023	2022
In-patient and out-patient	<b>P730,450,497</b>	P7,750,984	P–
Emergency	<b>36,791,837</b>	426,538	–
Pharmacy	<b>13,111,777</b>	1,445,662	–
	<b>P780,354,111</b>	P9,623,184	P–

The Company's revenue substantially comprises of services whose revenues are recognized over time within the fulfillment of services which is one (1) day for emergency and out-patient services and an average of six (6) days for in-patient services.

## 16. Cost of Services

This account consists of:

	2024	2023	2022
Professional fees	<b>P185,433,563</b>	P1,762,624	P—
Drugs, medicines and supplies	<b>138,811,446</b>	14,458,139	—
Salaries and wages	<b>113,270,254</b>	5,698,968	—
Depreciation (Note 9)	<b>31,675,317</b>	3,241,929	—
Utilities	<b>15,680,289</b>	1,024,733	—
SSS/PHIC/HDMF contributions	<b>7,011,785</b>	725,325	—
Outside services	<b>611,911</b>	—	—
Others	<b>3,032,492</b>	—	—
	<b>P495,527,057</b>	P26,911,718	P—

## 17. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Salaries and wages (Note 20)	<b>P42,773,051</b>	P78,096,823	P9,329,976
Depreciation (Note 9)	<b>39,106,446</b>	1,336,686	192,393
Utilities	<b>24,912,210</b>	8,428,131	59,828
Professional fees	<b>18,345,097</b>	1,213,582	557,650
SSS/PHIC/HDMF contributions	<b>9,233,780</b>	7,545,708	43,088
Outside services	<b>4,334,804</b>	1,171,847	62,780
Honorarium (Note 20)	<b>3,362,000</b>	1,461,000	3,444,200
Taxes and licenses	<b>2,811,933</b>	10,346,173	3,077,629
Office supplies	<b>2,621,836</b>	43,704	119,946
Insurance	<b>1,001,601</b>	1,551,974	—
Trainings and seminars	<b>774,694</b>	3,135,027	38,475
Fuel and oil	<b>741,195</b>	1,797,826	—
Representation	<b>376,493</b>	218,522	—
Meetings and conferences	<b>281,524</b>	1,392,225	127,606
Subscription	<b>278,997</b>	317,022	—
Repairs and maintenance	<b>277,063</b>	68,423	—
Advertising	<b>170,664</b>	637,850	55,930
Transportation and travel	<b>97,641</b>	306,297	21,031
Rent (Notes 19 and 20)	—	180,000	144,000
Donation	—	—	16,300
Miscellaneous	<b>2,259,127</b>	569,715	216,295
	<b>P153,760,156</b>	P119,818,535	P17,507,127

## 18. Other Income

This account consists of:

	2024	2023	2022
Canteen	P4,787,124	P271,668	P—
Rent income	1,133,316	—	—
Common usage	294,036	—	—
Interest income	83,710	38,996	74,764
Others	210,645	913	—
	<b>P6,508,831</b>	<b>P311,577</b>	<b>P74,764</b>

## 19. Lease Agreement

### *The Company as a Lessee*

The Company entered into a contract of lease with a shareholder, where its office space is located. The office space is a temporary office leased to the Company, commencing on February 28, 2018. The Company pays monthly rent of P12,000. The lease contract was terminated in October 2023.

Rent expense charged to operations amounted to nil in 2024, P180,000 in 2023 and P144,000 in 2022 (see Note 17).

As at December 31, 2024, 2023 and 2022, the Company has no outstanding commitments under non-cancellable operating leases.

### *The Company as a Lessor*

The Company has various non-cancellable agreements for leases of clinics and commercial spaces located within the Hospital to doctors and concessionaires for a period of not more than 1 year and with renewal options for another year as mutually agreed by both parties. Advance rent from these lease agreements amounted to P146,275 as at December 31, 2024 which is presented as part of accounts and other payables in the statements of financial position.

Rent income arising from these lease agreements amounted to P1,133,316 in 2024 and nil in 2023 and 2022 (see Note 18).

## 20. Related Party Disclosures

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

In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related parties may be individuals or corporate entities.



The following are the details of related party transactions:

	Year	Classification	Terms and conditions	Amount of the Transaction	Outstanding Balance
Shareholders	<b>2024</b>	Advances from shareholders	Unsecured, unguaranteed, noninterest-bearing, without definite call dates, and payable in cash or thru debt-equity conversion or future availment of stock rights or option arrangement	<b>P97,887,992</b>	<b>P284,394,349</b>
	2023			149,513,267	186,506,357
	2022			(16,018,274)	36,993,090
APMC - Bacolod	<b>2024</b>	Loans payable	Unsecured, interest-bearing, payable in installment.	—	—
	2023			15,000,000	—
	2022			—	—
APMC - Bacolod	<b>2024</b>	Borrowing costs		—	—
	2023			265,882	—
	2022			—	—
Phil Pharmawealth, Inc.	<b>2024</b>	Loans payable (Note 13)	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	—	—
	2023			173,010,889	47,000,000
	2022			—	—
Phil Pharmawealth,	<b>2024</b>	Borrowing costs		<b>678,603</b>	—
	2023			4,925,757	—
Aklan Zion Ventures, Inc.	<b>2024</b>	Loans payable (Note 13)	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	—	<b>10,000,000</b>
	2023			10,000,000	10,000,000
Aklan Zion Ventures, Inc.	<b>2024</b>	Borrowing costs		<b>891,918</b>	—
	2024			83,836	—
Shareholder	<b>2024</b>	Rent (Notes 17 and 19)	Unsecured, noninterest-bearing, payable monthly	—	—
	2023			—	—
	2022			144,000	—

The following are other relevant related party disclosures:

Identification	Relationship	Business Purpose of Arrangement	Commitments
Shareholders	Shareholder	Advances from shareholders in support for the Company's hospital building construction requirements.	Acknowledgement receipt
APMC - Bacolod	Other related party	Loans from other related party as support for the construction of Company's hospital building.	Loan agreement
Phil Pharmawealth, Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances used as bridge financing to construction.	Loan agreement
Aklan Zion Ventures, Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances used as bridge financing to construction.	Loan agreement
Shareholder	Shareholder	The shareholder leased a temporary office space to the Company.	Lease contract (Note 13)

*Compensation of Key Management Personnel*

The summary of compensation of key management personnel of the Company are as follows:

	2024	2023	2022
Honorarium	<b>P3,362,000</b>	P1,461,000	P3,444,200
Salaries and wages	<b>6,943,625</b>	7,306,480	8,731,884
Professional fee	<b>61,665,497</b>	1,100,054	—
	<b>P71,971,122</b>	P9,867,534	P12,176,084

## 21. Income Tax

The Company is registered with the Board of Investments (BOI) as a New Operator of General Hospital Level 2 under Corporate Recovery and Tax Incentives for Enterprises Act (R.A. 11534) and the Omnibus Investments Code of 1987 (Executive Order No. 226) on October 23, 2023.

The BOI registered project activity of the Company is entitled to the following incentives:

- six (6) years income tax holiday (ITH);
- followed by five (5) years of enhanced deductions from the actual start of commercial operation; and;
- eleven (11) years duty exemption on importations.

The Company started its commercial operation in December 2023.

The current provision for income tax represents MCIT.

The following are the computations of MCIT:

	2024	2023	2022
Net revenues	P–	P9,411,651	P–
Cost of services	–	(26,911,718)	–
Loss	–	(17,500,067)	–
Other income	6,425,121	272,581	–
Taxable income (loss)	P6,425,121	(P17,227,486)	P–
Tax due at 2% in 2024, 1.5% in 2023 and 1% in 2022	P128,502	P–	P–

The reconciliation of the tax computed at statutory tax rate to provision for income tax follow:

	2024	2023	2022
Tax at applicable statutory income tax rate	(P390,716)	(P38,605,433)	(P4,358,091)
Adjustments for:			
Change in unrecognized deferred tax asset	128,502	38,582,324	4,376,782
Nondeductible finance costs	5,232	2,437	–
Nondeductible representation	–	30,420	–
Interest income subjected to final tax	(20,928)	(9,748)	(18,691)
Effect of tax relief availment	2,012,692	–	–
Application of NOLCO	(1,606,280)	–	–
	P128,502	P–	P–

As at December 31, 2024, the Company has NOLCO and MCIT for taxable years 2024 and 2022 which can be carried forward as a deduction on taxable income and income tax liability, respectively, for the next three consecutive taxable years immediately following the year of such loss, under certain conditions, as provided under Section 34(D) of the Tax Code. Details are as follows:

Dates Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Dates
<b>NOLCO</b>				
December 31, 2022	P17,507,127	P–	P17,507,127	2025
<b>MCIT</b>				
December 31, 2024	P128,502	P–	P128,502	2027

As at December 31, 2024, the Company has NOLCO in taxable years 2021 and 2020 which can be carried forward as a deduction for the next five consecutive taxable years immediately following the year of such loss, pursuant to the Bayanihan to Recover As One Act. Details are as follows:

Dates Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Dates
December 31, 2021	P24,642,317	P–	P24,642,317	2026
December 31, 2020	10,637,799	6,425,121	17,062,920	2025
	P35,280,116	P6,425,121	P41,705,237	

The management believes that the Company will not be able to realize the NOLCO in the future. The Company provided full valuation allowance on its NOLCO, thus no deferred tax asset was set up.

The components of the Company's unrecognized deferred tax assets account are as follows:

	2024	2023
NOLCO	<b>P11,590,531</b>	P13,196,811
MCIT	<b>128,502</b>	–
	<b>11,719,033</b>	13,196,811
Less valuation allowance	<b>11,719,033</b>	13,196,811
	<b>P–</b>	P–

## 22. Loss Per Share

Basic loss per share is computed as follows:

	2024	2023	2022
Net loss	<b>(P1,691,367)</b>	(P154,421,730)	(P17,432,363)
Weighted average number of shares outstanding	<b>215,060</b>	215,060	215,060
Basic loss per share	<b>(P7.86)</b>	(P718.04)	(P81.06)

There were no common stock equivalents outstanding that would require calculation of diluted earnings per share.

## 23. Changes in Liabilities Arising from Financing Activities

The following tables summarize the changes in liabilities arising from financing activities:

	2023	Cash flows	Noncash financing information	2024
Advances from shareholders	P186,506,357	P97,887,992	P–	<b>P284,394,349</b>
Loans payable	1,338,400,696	103,000,000	–	<b>1,441,400,696</b>
	<b>P1,524,907,053</b>	<b>P200,887,992</b>	<b>P–</b>	<b>P1,725,795,045</b>

	2022	Cash flows	Noncash financing information	2023
Advances from shareholders	P36,993,090	P149,513,267	P–	P186,506,357
Loans payable	585,000,000	753,400,696	–	1,338,400,696
	<b>P621,993,090</b>	<b>P902,913,963</b>	<b>P–</b>	<b>P1,524,907,053</b>

	2021	Cash flows	Noncash financing information	2022
Advances from shareholders	P53,011,364	(P16,018,274)	P–	P36,993,090
Loans payable	245,000,000	340,000,000	–	585,000,000
	<b>P298,011,364</b>	<b>P323,981,726</b>	<b>P–</b>	<b>P621,993,090</b>

## 24. Events After the End of the Reporting Period

No events occurred between the statements of financial position date and the date on which these financial statements were approved by the Company's Board of Directors that would require adjustments to or disclosure in the financial statements.

## 25. Supplemental Information Required Under Revenue Regulations 15-2010 and 19-2011

### Revenue Regulation 15-2010

On November 25, 2010, the BIR issued Revenue Regulation (RR) 15-2010, which requires certain information on taxes, duties and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. These supplemental information, which are additions to the disclosures required under PFRS, are presented as follows:

### *VAT Output Tax*

The amount of VAT output claimed are as follows:

	2024	2023	2022
Vatable sales	<b>P276,453,864</b>	P7,254,659	P–
Rate	<b>12%</b>	12%	12%
VAT output declared	<b>P33,174,464</b>	P870,559	P–
Exempt sales	<b>P399,002,418</b>	P734,051	P–

### *VAT Input Tax*

The amount of VAT input claimed are as follows:

	2024	2023	2022
Balance at beginning of period	<b>P4,605,567</b>	P–	P–
Current year domestic purchases/payments and importations for:			
Services	<b>17,197,379</b>	1,455,773	–
Capital goods exceeding P1 million	<b>1,529,499</b>	3,912,390	–
Capital goods not exceeding P1 million	<b>390,814</b>	107,963	–
Goods other than capital goods	<b>9,600,405</b>	–	–
Additional during the year	<b>28,718,097</b>	–	–
Add input tax on sale to government	<b>12,328</b>	–	–
Add deferred input VAT from previous year	–	–	–
Less deferred input VAT to be carried to succeeding periods	–	–	–
Total available input tax	<b>33,335,992</b>	5,476,126	–
Less application against VAT output	<b>33,174,464</b>	870,559	–
Balance at end of year	<b>P161,528</b>	P4,605,567	P–

### *Taxes on Importation*

The Company does not have importation, hence no customs duties in 2024, 2023 and 2022.

### *Excise Tax*

The Company does not have excise tax in 2024, 2023 and 2022 since it does not have any transactions which are subject to excise tax.

### *Documentary Stamp Tax*

The Company paid documentary stamp tax (DST) in 2024, 2023 and 2022 amounting to P1,126,380, P8,118,355 and P2,985,300, respectively, for issuance of share capital and availment of loan.

### *Taxes and Licenses*

The details of taxes and licenses included in expenses are as follows:

	2024	2023	2022
Documentary stamp tax	<b>P1,126,380</b>	P8,118,355	P2,985,300
License renewal	<b>121,728</b>	—	—
Real property tax	<b>64,270</b>	64,270	72,304
Land registration authority	—	745,066	—
DOH license to operate	—	165,295	—
SEC filing fees	—	18,944	20,025
Business permits	<b>4,999</b>	15,651	—
Others	<b>1,494,556</b>	1,218,592	—
	<b>P2,811,933</b>	P10,346,173	P3,077,629

### *Withholding Taxes*

The following are the amounts of withholding taxes:

	2024	2023	2022
Creditable – at source	<b>P22,971,339</b>	P10,681,605	P5,775,188
Withholding taxes on compensation	<b>2,158,817</b>	831,139	1,176,350
	<b>P25,130,156</b>	P11,512,744	P6,951,538

### *Deficiency Tax Assessment*

The Company does not have any deficiency tax assessments with BIR or tax cases outstanding or pending in courts or bodies outside of the BIR as of December 31, 2024, 2023 and 2022.

### *Revenue Regulation 19-2011*

Revenue Regulation No. 19-2011 was issued to prescribe the new BIR forms that will be used for Income Tax filing covering and starting with December 31, 2011, and to modify Revenue Memorandum Circular No. 57-2011 dated November 25, 2011.

The following are the schedules prescribed under existing revenue issuances applicable to the Company as of December 31, 2024:

### *Revenue*

	Exempt	RCIT
In-patient and out-patient	P730,450,497	P—
Emergency	36,791,837	—
Pharmacy	13,111,777	—
Discounts and free services	(111,322,951)	—
	P669,031,160	P—

*Cost of Services*

	Exempt	RCIT
Professional fees	P185,433,563	P–
Drugs, medicines and supplies	138,811,446	–
Salaries and wages	113,270,254	–
Depreciation	31,675,317	–
Utilities	15,680,289	–
SSS/PHIC/HDMF contributions	7,011,785	–
Outside services	611,911	–
Others	3,032,492	–
	<b>P495,527,057</b>	<b>P–</b>

*Non-operating and Taxable Other Income*

	Exempt	RCIT
Canteen	P–	P4,787,124
Rent income	–	1,133,316
Common usage	–	294,036
Others	–	210,645
	<b>P–</b>	<b>P6,425,121</b>

*Itemized Deductions*

Details of the Company's itemized deductions for the year are as follows:

	Exempt	RCIT
Salaries and wages	P42,773,051	P–
Depreciation	39,106,446	–
Finance costs	27,794,715	–
Utilities	24,912,210	–
Professional fees	18,345,097	–
SSS/PhilHealth/HDMF contributions	9,233,780	–
Outside services	4,334,804	–
Honorarium	3,362,000	–
Taxes and licenses	2,811,933	–
Office supplies	2,621,836	–
Insurance	1,001,601	–
Trainings and seminars	774,694	–
Fuel and oil	741,195	–
Representation	376,493	–
Meetings and conferences	281,524	–
Subscription	278,997	–
Repairs and maintenance	277,063	–
Advertising	170,664	–
Transportation and travel	97,641	–
Miscellaneous	2,259,127	–
	<b>P181,554,871</b>	<b>P–</b>

*Taxes and Licenses*

Taxes, fees and charges presented as part of "General and Administrative Expenses" account in the Company's statements of comprehensive income include the following:

	Exempt	RCIT
Documentary stamp tax	P1,126,380	P–
License renewal	121,728	–
Real property tax	64,270	–
Business permits	4,999	–
Others	1,494,556	–
	P2,811,933	P–





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Makati City, 1229

T: 632 8552 6068

E: [adc.mgt@gmail.com](mailto:adc.mgt@gmail.com)

PRC/BOA Accreditation No. 9730  
January 17, 2024, valid until  
November 22, 2026

BIR Accreditation No. 08-008193-000-2025  
January 31, 2025, valid until  
January 30, 2028

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
Asia Pacific Medical Center (APMC) – Aklan Inc.  
*(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)*  
Judge Martelino Road, Barangay Andagao  
Kalibo, Aklan

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 23, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules required by paragraph 7, Part II of Revised Securities Regulation Code (SRC) Rule 68 (2019) (Annex 68-J), Reconciliation of Retained Earnings Available for Dividend Declaration, Map of the Relationships Between and Among the Companies in the Group, its Ultimate Parent and Co-subsiidiaries, Schedule of Financial Soundness Indicators and Schedule of External Auditor Fee-Related Information are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised SRC Rule 68 (2019), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

For the firm: **QUERIDO DIEL & CO., CPAs**

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### **RICHARD S. QUERIDO**

Partner

CPA Certificate No. 84807

PRC/BOA Accreditation No. 9730/P-001

January 17, 2024, valid until November 22, 2026

TIN 102-094-633

BIR Accreditation No. 08-008193-001-2025

January 31, 2025, valid until January 30, 2028

PTR No. 10467446, January 3, 2025, Makati City

March 23, 2025

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.*****(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*****Schedule A – Financial Assets****December 31, 2024**

| Name of Issuing Entity and<br>Association of<br>Each Issue | Number of<br>Shares<br>or Principal<br>Amounts of<br>Bonds<br>and Notes | Amount<br>Shown in the<br>Statement of<br>Financial<br>Position | Value based<br>on Market<br>Quotations at<br>End of Reporting<br>Period | Income<br>Received and<br>Accrued |
|------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------|
| <i>Cash</i>                                                |                                                                         |                                                                 |                                                                         |                                   |
| Cash in banks                                              | Not applicable                                                          | P62,665,474                                                     | Not applicable                                                          | P83,710                           |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.*****(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*****Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties,  
and Principal Stockholders (Other than Related Parties)****December 31, 2024**

| Name and<br>Designation<br>of Debtor | Balance at<br>Beginning<br>of Period | Additions  | Amounts<br>Collected | Amounts<br>Written Off | Current    | Not Current | Balance at<br>End of Period |
|--------------------------------------|--------------------------------------|------------|----------------------|------------------------|------------|-------------|-----------------------------|
| Employees                            | P572,147                             | P4,179,437 | P1,012,070           | P–                     | P3,739,514 | P–          | P3,739,514                  |

**(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)**

**December 31, 2024**

| Name and Designation of Debtor | Balance at Beginning of Period | Additions | Amounts Collected | Amounts Written Off | Current | Not Current | Balance at End of Period |
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|
| Not applicable                 |                                |           |                   |                     |         |             |                          |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.*****(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*****Schedule D – Long Term Debt****December 31, 2024**

| Title of Issue and Type<br>of Obligation | Amount Authorized by<br>Indenture | Amount shown under<br>caption "Current portion<br>of long-term debt" in<br>related Statement of<br>Financial Position | Amount shown under<br>caption "Long-Term<br>Debt" in related<br>Statement of Financial<br>Position                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term Loan                                | P1,441,400,696                    | P41,068,815                                                                                                           | P1,400,331,881<br><i>(payable in 32 quarterly<br/>payments for 8 years<br/>beginning February 28,<br/>2026 to November 29,<br/>2033 with interest rate<br/>of 8.25% per annum for<br/>loans availed for the<br/>construction of hospital<br/>building and (payable in<br/>35 quarterly payments<br/>for 9 years beginning<br/>May 10, 2025 to<br/>February 10, 2033 with<br/>interest rate of 8% per<br/>annum for loans availed<br/>for the purchase of<br/>machineries)</i> |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.**

*(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*

**Schedule E – Indebtedness to Related Parties (Long-Term Loans from Related Companies)**  
**December 31, 2024**

| Name of related party | Balance at Beginning of Period | Balance at End of Period |
|-----------------------|--------------------------------|--------------------------|
| Not applicable        |                                |                          |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.**

*(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*

**Schedule F – Guarantees of Securities and Other Issues**

**December 31, 2024**

| Name of Issuing<br>Entity of Securities<br>Guaranteed by the<br>Company for which<br>this Statement is<br>Filed | Title of issue of<br>each Class of<br>Securities<br>Guaranteed | Total Amount<br>Guaranteed and<br>Outstanding | Amount Owned by<br>Person for which<br>Statement is Filed | Nature of<br>Guarantee |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|------------------------|
|                                                                                                                 |                                                                | Not applicable                                |                                                           |                        |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.*****(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*****Schedule G – Capital Stock****December 31, 2024**

| Title of<br>Issue | Number of<br>Shares<br>Authorized | Number of<br>Shares<br>Issued and<br>Outstanding<br>under related<br>Statement of<br>Financial<br>Position<br>caption | Number of<br>Shares<br>Reserved for<br>Options,<br>Warrants,<br>Conversions,<br>and Other<br>Rights | Related<br>Parties | Number of Shares Held By                |        |
|-------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------|--------|
|                   |                                   |                                                                                                                       |                                                                                                     |                    | Directors,<br>Officers and<br>Employees | Others |
| Founder           | 600                               | 600                                                                                                                   | –                                                                                                   | –                  | 400                                     | 200    |
| Common            | 239,400                           | 214,460                                                                                                               | –                                                                                                   | –                  | 125,410                                 | 89,050 |
|                   | 240,000                           | 215,060                                                                                                               | –                                                                                                   | –                  | 125,810                                 | 89,250 |



**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.**

***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***

**MAP OF THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN  
THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES  
DECEMBER 31, 2024**

Not Applicable

## **EXPLANATION ON NON- APPLICABILITY OF CONGLOMERATE MAP**

Asia Pacific Medical Center- Aklan, Inc., Asia Pacific Medical Center-Bacolod, Inc. and Asia Pacific Medical Center - Iloilo, Inc. are not affiliate companies nor sister companies because they do not operate under one parent company. They are related only because the Chairman of the three companies, Dr. Ferjenel G. Biron, is one and the same person and they have interlocking directors, shareholders and common officers.

The following are the shares of these interlocking directors/ stockholders of the three corporations :

| <b>Name of Stockholder</b> | <b>Percentage of Ownership and Position in APMC Aklan</b> | <b>Percentage of Ownership and Position in APMC Bacolod</b> | <b>Percentage of Ownership and Position in APMC Iloilo</b> |
|----------------------------|-----------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------|
| Biron, Ferjenel G.         | 4.74%/ Chairman                                           | 8.22%/ Chairman                                             | 19.97%/ Chairman                                           |
| Biron, Bryant Paul Q.      | 1.95%                                                     | 1.61%                                                       | 8.81%                                                      |
| Biron, Brandt Luke Q.      | 7.16%                                                     | 1.61%                                                       | 9.13%                                                      |
| Biron, Braeden John Q.     | 1.95%                                                     | 1.61%                                                       | 8.81%                                                      |
| Barrameda, Romulo S.       | 1.58%                                                     | None                                                        | 0.79%                                                      |
| Comuelo, Jerusha A.        | 1.58%/ Independent Director                               | 0.76%                                                       | 1.44%/Independent Director                                 |
| Lavilla, Meride D.         | 3.16%/ Director                                           | 10.09%/ Director                                            | 1.53%/ Director                                            |
| Lavalle Jr., Amado M.      | 1.58%                                                     | 2.38%                                                       | 1.55%/ President                                           |
| Minerva, Ike T.            | 1.58%                                                     | 2.31%                                                       | 1.42%                                                      |
| Regozo, Danilo C.          | 1.58%/ Director                                           | 2.85%/ Executive Vice President                             | 1.55%/ Executive Vice President                            |
| Villaflor, Agnes Jean M.   | 1.58%                                                     | 0.76%                                                       | 1.57%/ Director                                            |
| Fernandez, Lemuel T.       | 1.58%                                                     | None                                                        | 0.81%                                                      |
| Ramirez, Ruben B.          | 1.58%                                                     | None                                                        | 2.47%                                                      |
| Samoro, Fredilyn G.        | 1.58%                                                     | None                                                        | 2.84%                                                      |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.**

*(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)*

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR**

**DIVIDEND DECLARATION**

**DECEMBER 31, 2024**

|                            |                       |
|----------------------------|-----------------------|
| Deficit, beginning         | (P225,302,613)        |
| Net loss during the period | (1,691,367)           |
| <b>DEFICIT, END</b>        | <b>(P226,993,980)</b> |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***Schedule of Financial Soundness Indicators****December 31, 2024 and 2023**

| Ratio                        | Formula                                                                         | 2024           | 2023    |
|------------------------------|---------------------------------------------------------------------------------|----------------|---------|
| Current ratio                | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$                      | <b>0.42:1</b>  | 0.71:1  |
| Acid test ratio              | $\frac{\text{Current Assets} - \text{Prepayments}}{\text{Current Liabilities}}$ | <b>0.33:1</b>  | 0.19:1  |
| Solvency ratio               | $\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$      | <b>0.04:1</b>  | -0.09:1 |
| Debt-to-equity ratio         | $\frac{\text{Total Liabilities}}{\text{Total Equity}}$                          | <b>8.57:1</b>  | 7.88:1  |
| Asset-to-equity ratio        | $\frac{\text{Total Assets}}{\text{Total Equity}}$                               | <b>9.57:1</b>  | 8.88:1  |
| Interest rate coverage ratio | $\frac{\text{Operating EBITDA}}{\text{Net Interest}}$                           | <b>-3.50:1</b> | -7.62:1 |
| Return on assets             | $\frac{\text{Net Income}}{\text{Average Total Assets}}$                         | <b>-0.08%</b>  | -10.47% |
| Return on equity             | $\frac{\text{Net Income}}{\text{Average Total Equity}}$                         | <b>-0.76%</b>  | -54.86% |
| Net profit margin            | $\frac{\text{Net Income}}{\text{Total Revenue}}$                                | <b>-0.25%</b>  | -1641%  |
| Operating EBITDA margin      | $\frac{\text{Operating EBITDA}}{\text{Net Revenue}}$                            | <b>14.49%</b>  | -1407%  |

**ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.***(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)***SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED  
INFORMATION****DECEMBER 31, 2024**

|                                                                     | <b>2024</b>     | <b>2023</b>     |
|---------------------------------------------------------------------|-----------------|-----------------|
| <b>AUDIT FEES</b>                                                   |                 |                 |
| Audit fee year-end audit                                            | <b>P360,000</b> | P360,000        |
| Interim audit                                                       | <b>360,000</b>  | —               |
|                                                                     | <b>720,000</b>  | 360,000         |
| <b>NON-AUDIT FEES</b>                                               | <b>—</b>        | <b>—</b>        |
| <b>TOTAL AUDIT AND NON-AUDIT FEES</b>                               | <b>P720,000</b> | <b>P360,000</b> |
| <b>AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES</b>           |                 |                 |
| <b>AUDIT FEES</b>                                                   |                 |                 |
| Audit fee year-end audit                                            | <b>P125,000</b> | P125,000        |
| Interim audit                                                       | <b>125,000</b>  | —               |
|                                                                     | <b>250,000</b>  | 125,000         |
| <b>NON-AUDIT FEES</b>                                               | <b>—</b>        | <b>—</b>        |
| <b>TOTAL AUDIT AND NON-AUDIT FEES<br/>OF OTHER RELATED ENTITIES</b> | <b>P250,000</b> | <b>P125,000</b> |