

SEC Number:

**CS201806242**

File Number:

**TAGUM GLOBAL MEDICAL CENTER, INC.**

(Company's Full Name)

**Room 227 2<sup>nd</sup> Floor, Gabriel Bldg. Corner Apokon and National  
Highway, Tagum City, Davao del Norte**

(Company's Address)

**009-994-282**

(TIN Number)

**0998-994-8812**

(Telephone Number)

**N/A**

(Fax Number)

**SEC FORM 20-IS**

**PRELIMINARY INFORMATION STATEMENT**

Form Type

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter: **TAGUM GLOBAL MEDICAL CENTER, INC.**

3. Province, country or other jurisdiction of incorporation or organization: **Davao del Norte, Philippines**

4. SEC Identification Number: **CS201806242**

5. BIR Tax Identification Code: **009-994-282**

6. **Room 227 2<sup>nd</sup> Floor, Gabriel Bldg. Corner Apokon and National  
Highway , Tagum City, Davao del Norte                      8100**  
Address of Principal Office    Postal Code

7. Registrant's telephone number, including area code: **0998-994-8812**

8. Date, time and place of the meeting of security holders:

Date : **June 2, 2025**  
Time : **8:00 a. m.**  
Place : **Rm 227 2<sup>nd</sup> Floor, Gabriel Bldg., corner Apokon and  
National Highway, Tagum City, Davao Del Norte  
Via Zoom Webinar**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 9, 2025**

10. In case of Proxy Solicitations: **NOT APPLICABLE**

Name of Person Filing the Solicitation Statement:  
Address and Tel. No.:

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

| Title of Each Class                | Number of Shares of Common Stock<br>Outstanding and Amount of Debt Outstanding<br>(as of March 31, 2025) |
|------------------------------------|--|
| <b>Common<br/>Outstanding Debt</b> | <b>216,680 shares<br/>807,084,575</b>  |

12. Are any or all registrant's securities listed in a Stock Exchange?

Yes [ ] No [x]

|               |
|---------------|
| <b>PART I</b> |
|---------------|

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**1. GENERAL INFORMATION**

**Date, time and place of meeting of security holders.**

The stockholders' meeting shall be held on:

Date : **June 2, 2025**  
Time : **8:00 a. m.**  
Place : **5<sup>th</sup> Floor Multi-Purpose Hall Tagum Medical Center Inc.,  
Prk.Cafe Visayan Village, Tagum City, Davao Del Norte  
Via Hybrid Webinar**

Complete Mailing Address of Principal Office of Registrant:

**TAGUM GLOBAL MEDICAL CENTER, INC.**

**Room 227 2<sup>nd</sup> Floor, Gabriel Bldg. Corner Apokon and National Highway, Tagum City, Davao del Norte**

The approximate date on which the information statement is first to be sent and given to security holders shall be **May 9,2025.**

### **Dissenter's Right of Appraisal**

There are no matters or proposed corporate actions included in the Agenda of the meeting which may give rise to a possible exercise by security holders of their appraisal right. Generally, however, under Section 80, Title X of the Revised Corporation Code of the Philippines, the stockholders of the Corporation have the right of appraisal under the following instances:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate of stock representing the stockholders' shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

### **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director, officer or nominee for election as director of the Company, or associate of a director, officer, or nominee for election as director has any substantial interest in any matter to be acted upon, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

## **2. CONTROL AND COMPENSATION INFORMATION**

### **Voting Securities and Principal Holders Thereof**

Class of Voting Shares as of **March 31, 2025**:

|                       | Shares Outstanding | No. of Vote Each Share Is Entitled |
|-----------------------|--------------------|------------------------------------|
| <b>Common Shares:</b> |                    |                                    |
| <b>Filipino</b>       | <b>216,680</b>     | <b>One (1) vote per share</b>      |
| <b>Foreign</b>        | <b>0</b>           | <b>One (1) vote per share</b>      |
| <b>Total</b>          | <b>216,680</b>     |                                    |

Record Date:

All stockholders of record as of **April 30, 2025** are entitled to notice of and to vote at the Annual Stockholders' Meeting.

Manner of voting:

The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method.

Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of March 31, 2025

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

| <b>Title of Class</b> | <b>Name, Address of record owner and Relationship with Issuer</b>  | <b>Name of Beneficial Owner and Relationship with Record Owner</b>   | <b>Citizenship</b> | <b>No. Shares Held</b>   | <b>Percent</b> |
|-----------------------|--|--|--------------------|--|----------------|
| Common Founder's      | Enriquez, Amado Manuel Jr.<br>Stockholder/Director<br>Rose Bldg, 73 West Ave,<br>Quezon City             | Enriquez, Marilyn R-wife<br>Enriquez, Michael Edward R.-son<br>Enriquez, Miguel Antonio R.-son               | Filipino           | 17,910 (Direct)<br>13,930 (Indirect)<br>90 (Direct)<br>70 (Indirect) | 26.516%        |
| Common Founder's      | Enriquez, Michael Edward R.<br>Stockholder/Director<br>19 Samar Avenue, South<br>Triangle, Quezon City   | Enriquez, Amado Manuel Jr.-father<br>Enriquez, Marilyn R.-mother<br>Enriquez, Miguel Antonio R.-<br>brother  | Filipino           | 5,970 (Direct)<br>25,870 (Indirect)<br>30 (Direct)<br>130 (Indirect) | 26.516%        |
| Common Founder's      | Enriquez, Miguel Antonio R.<br>Stockholder<br>2203 Pacific Skyloft, Governor<br>Forbes, Sampaloc, Manila | Enriquez, Amado Manuel Jr.-father<br>Enriquez, Marilyn R.-mother<br>Enriquez, Michael Edward R.-<br>brother  | Filipino           | 5,970 (Direct)<br>25,870 (Indirect)<br>30 (Direct)<br>130 (Indirect) | 26.516%        |
| Common Founder's      | Enriquez, Marilyn R.<br>Stockholder<br>Rose Bldg, 73 West Ave,<br>Quezon City                            | Enriquez, Amado Manuel Jr.-<br>husband<br>Enriquez, Miguel Antonio R.-son<br>Enriquez, Michael Edward R.-son | Filipino           | 1990 (Direct)<br>29,850 (Indirect)<br>10 (Direct)<br>150 (Indirect)  | 26.516%        |

Security Ownership of Directors and Management as of March 31, 2025:

| <b>(1) Title of Class</b> | <b>(2) Name of Beneficial Owner</b> | <b>Position</b> | <b>(3) Amount and Nature of Beneficial Ownership</b> | <b>(4) Citizenship</b> | <b>(5) Percentage (%) of Class</b> |
|---------------------------|-------------------------------------|-----------------|--|------------------------|------------------------------------|
| Common Founder's          | Carlos, Fernando P.                 | Director        | 1,990 (Direct)<br>10 (Direct)                        | Filipino               | 1.657%                             |
| Common Founder's          | Dalisay, Mae T.                     | Director        | 3,980 (Direct)<br>20 (Direct)                        | Filipino               | 3.315%                             |
| Common Founder's          | Enriquez, Amado Manuel Jr.          | Chairman        | 17,910 (Direct)<br>13,930 (Indirect)<br>90 (Direct)  | Filipino               | 26.516%                            |

|                            |                            |                      |  |          |  |
|----------------------------|----------------------------|----------------------|--|----------|--|
|                            |                            |                      | 70 (Indirect)  |          |  |
| Common Founder's           | Enriquez, Michael Edward   | Director             | 5,970 (Direct)<br>25,870 (Indirect)<br>30 (Direct)<br>130 (Indirect) | Filipino | 26.525%                                |
| Common Founder's           | Llanos, Aryeel C.          | Independent Director | 1,990 (Direct)<br>1,990 (Indirect)<br>10 (Direct)<br>10 (Indirect)   | Filipino | 3.315%                                 |
| Common Founder's           | Enriquez, Marilyn R.       | Director             | 1,990 (Direct)<br>1,990 (Indirect)<br>10 (Direct)<br>10 (Indirect)   | Filipino | 3.315%                                 |
| Common Founder's           | Juarez, Mariebeth P.       | Director             | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Cerna-Lopez, Geanie        | Director             | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Mendoza, Maria Bernarda DJ | Director             | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Nuevas, Nimfa L.           | Director             | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Perdido, Evelyn Ross H.    | Treasurer            | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Quilisadio, John Elmer C.  | Independent Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Samoy, Marietta T.         | Director             | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Valencia, Orlando          | Independent Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%                                 |
| Common Founder's           | Viernes, La Rhaine G.      | Director             | 1,990 (Direct)<br>1,990 (Indirect)<br>10 (Direct)<br>10 (Indirect)   | Filipino | 3.315%                                 |
| <b>Total for Directors</b> |                            |                      | 52,000 (Direct)<br>46,000 (Indirect)                                 |          | 43.089% (Direct)<br>38.118% (Indirect) |

| <b>Executive Officers:</b> |                                |          |  |          |         |
|----------------------------|--------------------------------|----------|--|----------|---------|
| Common Founder's           | Enriquez, Amado Manuel C., Jr. | Director | 17,910 (Direct)<br>13,930 (Indirect)<br>90 (Direct)<br>70 (Indirect) | Filipino | 26.525% |
| Common Founder's           | Mendoza, Maria Bernarda DJ     | Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 3.315%  |
| Common Founder's           | Viernes, La Rhaine G.          | Director | 1,990 (Direct)<br>1,990 (Indirect)                                   | Filipino | 3.315%  |

|                           |  |          |  |          |  |
|---------------------------|--|----------|--|----------|--|
|                           |  |          | 10 (Direct)<br>10 (Indirect)   |          |  |
| Common Founder's          | Dalisay, Mae T.                                | Director | 3,980 (Direct)<br>20 (Direct)  | Filipino | 3.315%   |
| Common Founder's          | Perdido, Evelyn Ross H.                        | Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%   |
| Common Founder's          | Nuevas, Nimfa L.                               | Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%   |
| Common Founder's          | Juarez, Mariebeth P.                           | Director | 1,990 (Direct)<br>10 (Direct)  | Filipino | 1.657%   |
| Common Founder's          | Samoy, Marieta T.                              | Director | 1,990 (Direct)<br>1,990 (Indirect)<br>10 (Direct)<br>10 (Indirect)     | Filipino | 3.315%   |
| <b>Total for Officers</b> |  |          | 34,000 (Direct)<br>18,000 (Indirect)                                   |          | 28.174% (Direct)<br>14.916% (Indirect)   |
| Common Founder's          | <b>Directors and Exec. Officers as a Group</b> |          | 51,740 (Direct)<br>47,760 (Indirect)<br>260 (Direct)<br>240 (Indirect) |          | 43.088% (Direct)<br>39.773% (Indirect)<br>43.333 % (Direct)<br>40 % (Indirect) |

1. There are no voting trust holders of 5% or more.
2. The Company is not aware of any voting trust agreement/s or similar agreement/s which may result in a change in control of the Company.
3. No change in control of the registrant has occurred since the beginning of its last fiscal year.

## Directors and Executive Officers

### 1. Directors/Nominees and Executive Officers

There are fifteen (15) members of the Board, three (3) of whom are independent directors. The term of office of each member is one (1) year; they are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. A director who is elected to fill any vacancy holds office only for the unexpired term of his predecessor. The following are the current members of the Board of Directors:

1. Carlos, Fernando P.
2. Dalisay, Mae T.
3. Enriquez, Amado Manuel C., Jr.
4. Enriquez, Marilyn R.
5. Enriquez, Michael Edward R.
6. Juarez, Mariebeth P.
7. Llanos, Aryeel (Independent Director)
8. Cerna-Lopez, Geanie
9. Mendoza, Maria Bernarda DJ
10. Nuevas, Nimfa L.
11. Valencia, Orlando A. (Independent Director)
12. Perdido, Evelyn Ross H.
13. Quilisadio, John Elmer C. (Independent Director)

14. Viernes, La Rhaine G.
15. Samoy, Marietta T.

**Nominees for Election as Members of the Board of Directors**

The following have been nominated to the Board for the ensuing year:

16. Apolinario, Lou Josephine M. ( Independent Director)
17. Carlos, Juliet B.
18. Dalisay, Mae T.
19. Enriquez, Amado Manuel Jr. C.
20. Enriquez, Michael Edward R.
21. Enriquez, Marilyn R.
22. Enriquez, Araceli Celine S.
23. Juarez, Mariebeth P.
24. Llanos, Aryeel C. ( Independent Director)
25. Mendoza, Maria Bernarda DJ
26. Perdido, Evelyn Ross H.
27. Pono, Glen A.
28. Quilisadio, John Elmer C. ( Independent Director)
29. Valencia, Orlando A.
30. Viernes, La Rhaine G.

The Company has complied with the guidelines on the nomination and election of independent directors as set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The Independent directors Dr. Lou Josephine M. Apolinario, Dr. John Elmer Quilisadio and Dr. Aryeel C. Llanos were nominated by Dr. Nimfa L. Nuevas, Dr. Jonah Suzette A. Geralde and Dr. Jo Ann M. Narvaza, respectively. The nominees are not related to their respective nominating stockholder and were pre-screened by the Nominations Committee composed of Dr. Maribeth Juarez (Chairman), Dr. Mae T. Dalisay (Member), Dr. Aryeel Llanos (Member/Independent Director), Dr. Calixto S. Esparagoza (Non-voting Member), and Dr. Miguel Antonio Enriquez (Non-voting Member).

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

|                        |                             |
|------------------------|-----------------------------|
| La Rhaine G. Viernes   | - President                 |
| Mae T. Dalisay         | - Vice-President            |
| Evelyn Ross H. Perdido | - Treasurer                 |
| Nimfa Nuevas L.        | - Asst. Treasurer           |
| Mariebeth P. Juarez    | - Corporate Secretary       |
| Marietta Samoy         | - Asst. Corporate Secretary |

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

Please refer to attached Annex "A" (pages 17 to 22) for the summary of qualifications of the current Directors/Nominees and Executive Officers.

The Company or any of its subsidiaries or affiliates is not involved in any legal proceedings.

## Significant Employees

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

## Family Relationships

Except for the following, there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the Company to become directors, or executive officers, any security holder of certain record, beneficial owner or management.

- |                                 |  |
|---------------------------------|--|
| 1. Amado Manuel C. Enriquez Jr. | -Marilyn R. Enriquez (wife)<br>-Michael Edward R. Enriquez (son)<br>-Miguel Antonio R. Enriquez (son)<br>-Araceli Celine S. Enriquez (daughter-in law)<br>-Fernando P. Carlos (cousin) |
| 2. La Rhaine G. Viernes         | -Earl Courtney A. Viernes (husband)  |
| 3. Fernando P. Carlos           | -Julieta B. Carlos (wife)<br>-Amado Manuel C. Enriquez Jr. (cousin)  |
| 4. Franklin B. Guillano         | -Victoria P. Guillano (wife)   |
| 5. Maria Bernarda DJ Mendoza    | -James Ryan DJ Mendoza (son)   |
| 6. Calixto S. Esparagoza        | -Janice G. Esparagoza (wife)   |
| 7. Aryeel D. Llanos             | -Cleofe C. Llanos (wife)   |

## Certain Relationships and Related Transactions

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

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

31-Mar-2025 (Unaudited)

| Nature of Relationship | Nature of Transaction    | Amount (current transaction) | Outstanding balance | Terms   | Conditions |
|------------------------|--------------------------|------------------------------|---------------------|---|------------|
| Shareholders           | Advances from            |                              |                     | Non-interest bearing; payable in cash; no scheduled repayment terms | Unsecured  |
|                        | Additional               | ₱ 3,885,618                  | ₱ 40,468,936        |   |            |
|                        | Loans                    |                              |                     | Interest bearing; payable in cash; no scheduled repayment terms     | Unsecured  |
|                        | Additional loan Payments | ₱ -                          | ₱ 15,650,000        |   |            |

|  |                    |                    |  |                  |
|--|--------------------|--------------------|--|------------------|
| <b>Interest<br/>expense<br/>Payments</b> | <b>₱ 2,161,233</b> | <b>₱ 2,161,233</b> | <b>Payable in cash<br/>and on demand</b> | <b>Unsecured</b> |
|  | -                  |                    |  |                  |

### Involvement in Certain Legal Proceedings

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

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

1. Civil Case No. CEB-18-00601-CV (Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.) Complaint filed by shareholder against the corporation and its board of directors/officers to declare the sale in installments as subscription contract, direct the defendant corporation to issue his certificate of stock; and to declare that he is entitled to the pre-emptive right to subscribe for additional one (1) block of shares on the account of the increase of capital stock with damages. Pre-trial was terminated. Case is set for presentation of plaintiff's evidence.

2. Civil Case No. R-CEB-18-01248-CV (Dax Mathew M. Quijano, Rose Marie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.) Complaint filed by shareholders against the corporation and its board of directors/officers to declare the sale in installments as subscription contract, direct the defendant corporation to issue his certificate of stock; and to declare that they are entitled to the pre-emptive right to subscribe for additional one (1) block of shares on the account of the increase of capital stock. The judicial dispute resolution (JDR) failed. Case is up for pre-trial conference.

3. Special Civil Action Case No. R-CEB-18-08795-SC (Leo T. Sumatra, et al., vs. Allied Care Experts (ACE) Medical Center Cebu, Inc. et al.) This is a special civil action for mandamus filed by shareholders against the corporation and its board of directors/officers for the issuance of a writ of mandamus to direct respondents to grant them pre-emptive right to subscribe to the entire increase of capital stock, in proportion to their shareholdings of one (1) block of shares equivalent to ten (10) shares of common stock. Pre-trial was terminated. Case is set for presentation of petitioners' evidence.

Aside from the above-named directors, there are no other directors, nominees, executive officers, underwriter or control person of the Company, who are involved in any legal proceeding.

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

### B. Compensation of Directors and Executive Officers

#### SUMMARY COMPENSATION TABLE

| (a)                       | (b)  | (c)    | (d)   | (e)                |
|---------------------------|------|--------|-------|--------------------|
| Name & Principal Position | Year | Salary | Bonus | Other Compensation |

|   |             |           |   |   |
|---|-------------|-----------|---|---|
| 1. Amado Manuel C. Enriquez Jr.<br>Chairman / CEO         | 2024        | 0         | 0 | 0 |
| 2. La Rhaine G. Viernes<br>President / COO                | 2024        | 0         | 0 | 0 |
| 3. Mae T. Dalisay<br>Vice President                       | 2024        | 0         | 0 | 0 |
| 4. Evelyn Ross H. Perdido<br>Treasurer                    | 2024        | 0         | 0 | 0 |
| 5. Aggregate For The Above Named CEO &<br>Officers        | 2025-Estim. | 4,920,000 | 0 | 0 |
|   | 2024        | 0         | 0 | 0 |
|   | 2023        | 0         | 0 | 0 |
| 6. Aggregate For The Officers And Directors As<br>A Group | 2025-Estim. | 4,920,000 | 0 | 0 |
|   | 2024        | 0         | 0 | 0 |
|   | 2023        | 0         | 0 | 0 |

The members of the Board receive a per diem of Php 20,000.00/ Board meeting. Likewise, on April 1, 2024, the Board approved the compensation of the following officers: Chairman - Php 100,000.00; Vice-Chairman -Php 70,000.00; President - Php 100,000.00; Vice-President - Php 70,000.00; Secretary - Php 70,000.00; Treasurer – Php 70,000.00; Asst. Secretary – Php 60,000.00; Asst. Treasurer – Php 60,000.00. However, the officers have not yet received their compensation, and the same shall be released by the Corporation upon availability of funds. Aside from the foregoing, there are no other bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as director, or executive officers of the registrant will participate.

The Company has no registered, non-contributory retirement plan at present.

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

There is no action to be taken with respect to any transaction involving the following:

1. Merger/consolidation of the registrant into or with any other person or of any other person into or with the registrant;
2. Acquisition by the registrant or any of its security holders of securities of another person;
3. Acquisition by the registrant of any other going business or of the assets thereof; and
4. Sale/other transfer of all or any substantial part of the assets of the registrant.

**c. Independent Public Accountants**

The Company's external auditor is the auditing firm of Perez, Sese, Villa & Co., CPA'S. The same auditing firm is being recommended by the Board as the Company's external auditor for 2025, based on the recommendation of the Audit Committee composed of Dr. Evelyn Ross H. Perdido (Chairman/Independent Director), Dr. Mariyln Enriquez (Independent) and Dr.Engr.Generoso Orillaza (Independent) for a fee of Php250,000.00 (inclusive of VAT).

1. The Audit committee evaluates proposals based on the quality of service, commitment for deadline and fees. The committee may require a presentation from each proponent to clarify some issues.
2. Perez, Sese, Villa & Co., CPA'S, represented by its engagement partner, Ms. Alma Sese is the external auditor of the Company for the most recently completed year 2024. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged Ms. Alma Sese for more than five years.

3. Representatives of Perez, Sese, Villa & Co., CPA'S. are expected to be present during the stockholders' meeting. The representatives will have the opportunity to make statements if they desire to do so and will be available to respond to appropriate questions from the security holders.
4. During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.
5. The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:

|                   |  |
|-------------------|--|
| For the year 2024 | P 390,589.30 (billed and paid in 2024) |
| For the year 2023 | P 406,244.00 (billed and paid in 2023) |

6. The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (P343,936.18); and (b) All Other Fees, including estimated out of pocket expenses accrued by the Company as of March 31,2025 (P120,000).

The Audit Committee has the function of assessing the independence and professional qualifications of the external auditor, in compliance with the requirements under applicable law, rules and regulations; reviewing the performance of the external auditors; and recommending to the Board of Directors the appointment or discharge of external auditors as well as reviewing and approving audit related and non-audit services to be rendered by external auditors. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit, and ensure proper coordination, if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

### **C. OTHER MATTERS**

#### **Action with Respect to Reports**

The approval of the stockholders on the following were taken up:

- A. Minutes of the June 2, 2024 Annual Stockholders' Meeting. The Minutes cover the following items:

Agenda of the Y2024 Annual Stockholders Meeting

- i. Call to Order
- ii. Invocation
- iii. Determination of Quorum
- iv. Welcome Message
- v. Reading and Approval of the Minutes of the Y2023 Annual Stockholders' Meeting
- vi. Audited Financial Report 2023
- vii. President's Report
- viii. Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation
- ix. Election of the Board of Directors 2024-2025
- x. Appointment of External Auditor for Year 2024
- xi. Other Matters
- xii. Adjournment

The approval or disapproval of the above Minutes will refer only to the correctness of the Minutes and will not constitute an approval/disapproval of the matters stated in the Minutes.

- B. Audited Financial Statements for the year ending 31 December 2024.

**Other Proposed Actions**

1. Ratification of all corporate acts and resolutions during the past year of the Board, Officers and Management. These acts are covered by resolutions duly adopted in the usual course of business such as opening of bank accounts and designation of authorized signatories for various transactions, etc.
2. Election of Directors including Independent Directors for Y2025.
3. Appointment of External Auditor for fiscal year ending 31 December 2025.

**Amendment of Charter, By-Laws and other Documents**

There is no action to be taken with respect to the Company’s charter, bylaws or other documents.

*Compliance with Section 49 of the Revised Corporation Code*

For the Y2024 ASM:

Voting was done through teleconference via zoom during the annual stockholders meeting. The Corporate Secretary tabulated the total votes cast for all the nominees.

The stockholders were given the opportunity to ask their questions through the zoom chat button during the meeting. There were no questions raised by the stockholders.

The following matters were taken up:

1. Reading and approval of the Minutes of the Previous Meeting.
2. Audited Financial Statements for the year ending 31 December 2023.
3. Ratification of all corporate acts and resolutions during the past year of the Board, Officers and Management. These acts are covered by resolutions duly adopted in the usual course of business such as opening of bank accounts and designation of authorized signatories for various transactions, etc.
4. Election of Directors including Independent Directors for Y2024
5. Appointment of External Auditor for fiscal year ending 31 December 2024

Except for the election of officers, all the matters taken up were unanimously approved by the stockholders present during the meeting. There were only 15 nominees for the 15 board seats to be elected; the votes were tabulated as follows:

|   | <b>Name Of Nominees</b>               | <b>No. of Votes</b> |
|---|---------------------------------------|---------------------|
| 1 | Carlos, Fernando P.                   | 104,000             |
| 2 | Dalisay, Mae T.                       | 104,000             |
| 3 | Enriquez, Amado Manuel C., Jr.        | 104,000             |
| 4 | Enriquez, Marilyn R.                  | 104,000             |
| 5 | Enriquez, Michael Edward R.           | 104,000             |
| 6 | Juarez, Mariebeth P.                  | 104,000             |
| 7 | Llanos, Aryeel (Independent Director) | 104,000             |
| 8 | Cerna-Lopez, Geanie                   | 104,000             |
| 9 | Mendoza, Maria Bernarda DJ            | 104,000             |

|    |   |         |
|----|---|---------|
| 10 | Nuevas, Nimfa L.                              | 104,000 |
| 11 | Valencia, Orlando A. (Independent Director)   | 104,000 |
| 12 | Perdido, Evelyn Ross H.                       | 104,000 |
| 13 | Quilisadio, John Elmer (Independent Director) | 104,000 |
| 14 | Viernes, La Rhaine G.                         | 104,000 |
| 15 | Samoy, Marietta T.                            | 104,000 |

Attached as Annex "D" is the list of the directors, officers and stockholders who attended the meeting.

## PERFORMANCE ASSESSMENT FOR THE BOARD OF DIRECTORS

(January 1, 2024- December 31, 2024)

| Good Corporate Governance Principles and Practices   | Rating |
|--|--------|
| 1. The Board is composed of competent, hardworking members that foster the long-term success of the corporation and sustain its competitiveness and growth.  | 5      |
| 2. The Board is headed by a competent and qualified chairperson.   | 5      |
| 3. The Board practices diversity which avoids groupthink and ensures that optimal decision-making is achieved.   | 5      |
| 4. The Board members act on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders and all other stakeholders  | 5      |
| 5. The Board oversees the development of and approves the company's business and strategy and monitor its implementation, in order to sustain the company's long-term viability and strength   | 5      |
| 6. The Board ensures an effective succession planning program for directors, key officers and Management to ensure the continuous and consistent growth of the company.  | 4      |
| 7. The Board aligns the remuneration of key officers and board members with the long-term interest of the company.   | 5      |
| 8. The Board has adopted a formal nomination and election policy which provides for the procedures on how the Board accepts nominations.   | 5      |
| 9. The Board ensures the integrity of related party transactions and other unusual transactions, particularly those which pass certain threshold materiality. The Board reviews and approves material RPTs to guarantee fairness and transparency of the transactions. | 5      |
| 10. The Board has an internal control system in place and a mechanism to monitor and manage potential/actual conflicts of interests of board members, management and shareholders.   | 4      |
| 11. Board has organized board committees to support the effective performance of the board functions, particularly, with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration.               | 5      |
| 12. The Board endeavors to exercise an objective and independent judgment on all corporate affairs.  | 5      |
| 13. The Board has at least 2 independent directors, or at least 20% of the members of the Board, whichever is higher.  | 5      |
| 14. The Board regularly carries out evaluations to assess its performance as a body, and whether it possesses the right mix of backgrounds and competencies.   | 4      |
| 15. The Board applies high ethical standards, taking into account the interests of all stakeholders.   | 5      |

|   |   |
|---|---|
| 16. The Board has established corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations. | 5 |
|---|---|

The current members of the Board of Directors have no existing contract and transaction with the Company as of March 31, 2025.

No dividends were declared in 2024, 2023 and 2022 as the Company has not yet commenced its commercial operations. The holders of Common Shares shall be entitled to dividends that may be declared by the Corporation, in proportion to their respective shareholders. The company intends to declare a 1% dividend subject to the approval by the Board of Directors upon their determination of sufficient unrestricted retained earnings that may be used for the purpose. The Board may declare dividends taking into consideration the implementation of business plans, debt service requirements, operating expenses, budget, funding of new Investments and acquisitions and appropriate reserves and working capital.

The members of the Board receive a per diem of Php 20,000.00/ Board meeting. Likewise, on April 1, 2022, the Board approved the compensation of the following officers: Chairman - Php 50,000.00; Vice-Chairman -Php 35,000.00; President - Php 50,000.00; Vice-President - Php 35,000.00; Secretary - Php 50,000.00; Treasurer – Php 50,000.00; Asst. Secretary – Php 35,000.00; Asst. Treasurer – Php 35,000.00. Aside from the foregoing, there are no other bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as director, or executive officers of the registrant will participate.

### **Voting Procedures**

Except on the election of directors, an affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. The holders of common stocks are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast via the online voting platform during the meeting. Stockholders shall be entitled to vote either in person or by proxy.

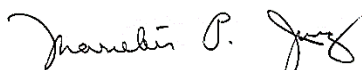
#### *Method of Counting Votes*

The Corporate Secretary, assisted by the Company's external auditor, will be responsible for counting the votes.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Tagum on **May 31, 2025**.

**TAGUM GLOBAL MEDICAL CENTER INC.**

By:



**MARIBETH P. JUAREZ, M.D.**

**Corporate Secretary**

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

*Tagum Global Medical Center, Inc.  
Room 227 2<sup>nd</sup> Floor, Gabriel Bldg. Corner Apokon and National Highway, Tagum  
City, Davao del Norte*

*Attention: The Corporate Secretary*

## ANNEX “A”

### INCUMBENT BOARD OF DIRECTORS/NOMINEES

|    | <b>Name/Age/Citizenship</b>                             | <b>Business and/or Professional Work Experience</b>  |
|----|---|--|
| 1. | Enriquez, Amado Manuel Jr. C.<br>73 years old, Filipino | Chairman of the Board:<br>- ACE Medical Center Baliwag (2015-Present)<br>- ACE Medical Center Pateros (2013-Present)<br>- ACE Malolos Center Doctors (2015-Present)<br>- ACE Medical Center Mandaluyong (2016-Present)<br>- ACE Medical Center Palawan (2017-Present)<br>- ACE Medical Center Tacloban (2014-Present)<br>- ACE Medical Center Bohol (2014-Present)<br>- ACE Medical Center CDO (2016-Present)<br>- ACE Medical Center Butuan (2016-2023)<br>- ACE Medical Center Bayawan (2015-Present)<br>- ACE Medical Center Legazpi (2016-Present)<br>- ACE Medical Center Dipolog (2017-Present)<br>- ACE Medical Center Quezon City (2012-Present)<br>- ACE Medical Center Tuguegarao (2016-Present)<br>- Tagum Global Medical Center, Inc. (2018-Present) |
| 2. | Enriquez, Michael Edward R.<br>37 years old, Filipino   | Post Graduate Studies: 2017-Doctor of Medicine, University of Santo Tomas Faculty of Medicine and Surgery. 2016-Master in Hospital Management, St. Joseph College. College Degree: 2009-BA Economics, University of Maryland, Baltimore. Secondary Education 2005-Xavier School. Medical Internship/Post -Graduate Training/Residency Training: Post Graduate Internship-UP Philippine General Hospital. Professional Examination Passed -2018.<br>Work Experience and Clinical History /Positions Held:<br>Unihealth-Paranaque Hospital and Medical Center, Sucat -President - CEO  |

|    |   |   |
|----|---|---|
|    |   | <p>ACE Medical Center Baypointe -Treasurer<br/> ACE Medical Center Valenzuela-CFO<br/> ACE Medical Center Baliwag-Finance Head<br/> ACE Medical Center Pateros -Treasurer<br/> ACE Medical Center Quezon City-Treasurer<br/> ACE Medical Center Malolos-Vice President<br/> San Jose del Monte Muzon Medical Center-Treasurer<br/> ACE Medical Center Cebu -Vice President<br/> ACE Medical Center Mandaluyong-Director<br/> ACE Medical Center Legazpi-Director<br/> ACE Medical Center Palawan-Director<br/> ACE Medical Center Tacloban -Director<br/> ACE Medical Center Bohol -Director<br/> ACE Medical Center Dumaguete-Director<br/> ACE Medical Center Bayawan -Director<br/> ACE Medical Center Dipolog-Director<br/> ACE Medical Center Cagayan de Oro -Director<br/> ACE Medical Center General Santos City-Director<br/> ACE Medical Center Butuan-Director<br/> Tagum Global Medical Center -Director<br/> ACE Medical Center Pangasinan-Director<br/> ACE Medical Center Sariaya-Director<br/> ACE Medical Center Sta.Maria -Director<br/> ACE Medical Center Mt.Samat ,Bataan-Director<br/> ACE Medical Center La Trinidad ,Baguio-Director<br/> ACE Medical Center Hundred Islands -Treasurer<br/> ACE Medical Center Santiago-Director<br/> ACE Medical Center Balagtas -Director<br/> ACE Medical Center La Union-Director<br/> ACE Medical Center San Miguel -Director<br/> ACE Medical Center Tuguegarao -Director</p> |
| 3. | <p>Enriquez, Marilyn R.<br/> 78 years old, Filipino</p> | <p>Bachelor of Science in Dentistry: University of the East Ramon Magsaysay graduated 1970.Founder ,Rosero Dentistry ,Quezon Philippines.Medical Internship /Post Graduate Training /Residency Training : Master in Healthcare Adminintration-St.Jude College.<br/> Director:<br/> ACE Medical Center Tacloban- 2023-present<br/> ACE Medical Center Baypointe- present<br/> ACE Medical Center Quezon City- present<br/> ACE Medical Center Valenzuela<br/> ACE Medical Center Baliwag<br/> ACE Medical Center Pateros,Metro Manila<br/> ACE Medical Center Malolos<br/> ACE Medical Center Mandaluyong<br/> ACE Medical Center Legazpi<br/> ACE Medical Center Palawan<br/> ACE Medical Center Cebu<br/> ACE Medical Center Tacloban<br/> ACE Medical Center Bohol<br/> ACE Medical Center Dumaguete<br/> ACE Medical Center Bayawan</p>  |

|    |   |   |
|----|---|---|
|    |   | <p>ACE Medical Center Dipolog<br/> ACE Medical Center Cagayan De Oro<br/> ACE Medical Center General Santos<br/> ACE Medical Center Butuan<br/> Tagum Global Medical Center Inc.<br/> San Jose del Monte Muzon Medical Center<br/> ACE Medical Center Pangasinan<br/> ACE Medical Center Sariaya<br/> ACE Medical Center Mt.Samat ,Bataan<br/> ACE Medical Center La Trinidad Baguio<br/> ACE Medical Center Hundred Islands<br/> ACE Medical Center Santiago<br/> ACE Medical Center Balagtas<br/> ACE Medical Center La Union<br/> ACE Medical Center San Miguel<br/> Unihealth -Paranaque Hospital and Medical Center,Sucot</p>  |
| 4. | <p>Araceli Celine ,Enriquez S.<br/> 32 years old,Filipino</p> | <p>Post Graduate Studies: Juris Doctor,University of Philippines College of Law ( 2021-present).Doctor of Medicine,University of Santo Tomas Faculty of Medicine and Surgery (2017).Post Graduate Internship: Makati Medical Center ( 2018).Tertiary Education: BS Psychology,Ateneo De Manila University (2013).Secondary Education:Assumption College,San Lorenzo Makati (2009).<br/> Allied Care Experts (ACE) Medical Center -Mandaluyong -Head of Legal Department ( 2022-present).Allied Care Experts (ACE) Medical Center-Baypointe -Director (2019-present).Allied Care Experts (ACE) Medical Center-Quezon City -Director ( 2021-2022).Allied Care Experts ( ACE) Medical Center -Valenzuela -Director ( 2021-2022).</p> |
| 5. | <p>Apolinario,Lou Josephine M.<br/> 57 years old,Filipino</p> | <p>Residency Training in Pediatrics: San Pedro, Hospital, Davao City ( 1998-2001).Doctor of Medicine : Mindanao State University ,Iligan City ( 1990-1994).Bachelor of Science in Zoology -Mindanao State University ( 1985-1989).Hospital Affiliations : Medical Mission Group Hospital -Visiting Consultant ( 2001-present).Tagum Doctors Hospital -Visiting Consultant ( 2001- present). Tagum Medical City -Visiting Consultant (2023-present ).Christ the King Specialist Hospital -Visiting Consultant ( 2024-present ).Tagum Global Medical Center Inc.-Human Resource Director (present).</p>   |
| 6. | <p>Carlos, Fernando P.<br/> 64 years old, Filipino</p>        | <p>President:<br/> - ACE Medical Center-Pateros (2011-Present)<br/> - ACE Medical Center-QC (2012-Present)<br/> - ACE Medical Center – Tacloban (2014-Present)<br/> - ACE Medical Center – Dipolog (2017-Present)<br/> - ACE Medical Center Sariaya (2019-Present)<br/> - ACE Medical Center San Miguel (2023-present)<br/> -FOUNDER AND BOARD OF DIRECTORS OF OTHER ACE HOSPITALS</p> <p>Director:</p>   |

|    |  |   |
|----|--|---|
|    |  | <ul style="list-style-type: none"> <li>- ACE Medical Center Pateros (2013-Present)</li> <li>- ACE Malolos Center Doctors (2015-Present)</li> <li>- ACE Medical Center Mandaluyong (2016-Present)</li> <li>- ACE Medical Center Palawan (2017-Present)</li> <li>- ACE Medical Center Tacloban (2014-Present)</li> <li>- ACE Medical Center Bohol (2014-Present)</li> <li>- ACE Medical Center Dumaguete (2014-Present)</li> <li>- ACE Medical Center General Santos (2016-Present)</li> <li>- ACE Medical Center CDO (2016-Present)</li> <li>- ACE Medical Center Butuan (2016-Present)</li> <li>- ACE Medical Center Bayawan (2015-Present)</li> <li>- ACE Medical Center Legazpi (2016-Present)</li> <li>- ACE Medical Center Dipolog (2017-Present)</li> <li>- ACE Medical Center Quezon City (2012-Present)</li> <li>- ACE Medical Center Tuguegarao (2016-Present)</li> <li>- Tagum Global Medical Center, Inc. (2018-Present)</li> <li>- ACE Medical Center Pangasinan- (2021-present)</li> <li>- ACE Medical Center Alaminos -(2022-present)</li> <li>- ACE Medical Center Santiago (2022-present)</li> <li>- ACE Medical Center La Union- (2023-present)</li> <li>- ACE Medical Center La Trinidad (2023-present)</li> </ul> |
| 7. | Carlos, Julieta B.<br>61 years old, Filipino   | <p>College Course : BS Pharmacy -Centro Escolar University. Medical School : Manila Central University (1989). Post-Graduate Internship : De Los Medical Center-(1990). Residency Training: Ospital ng Makati ( 1999). Masters in Hospital Administration : St. Joseph's College.</p> <p>Allied Care Experts ( ACE) Medical Center Peteros -Purchasing Department Head ( 2016-present). Allied Care Experts (ACE) Medical Center Quezon City-Purchasing Department (2017-present). Allied Care Experts (ACE) Medical Center Mandaluyong-Corporate Treasurer (2019-present).</p>   |
| 8. | Dalisay, Mae T.<br>61 years old, Filipino      | <p>Graduated in Medicine at SWU-MHAM College of Medicine, Cebu City 1989; Finished Residency Training in Pediatrics, Davao Regional Hospital, 2000; Proprietor &amp; General Pediatric Practitioner: Teano-Dalisay Pediatric Clinic, Tagum Doctors Hospital, Inc., and Tagum Global Medical Center, Tagum City; President, Phil. Medical Association Davao Del Norte Chapter 2007-2009; Medical Director- Arriegado General Hospital, Tagum City Davao del Norte 1991-1992; Medical Coordinator Rotary Club of Tagum North 2009-present; District 3860, Area 2D Rotary International Assistant Governor, 2023-2024; Rotary Club of Tagum North District 3860 President- 2020-2021; Vice President- Tagum Global Medical Center. Inc. 2018 up to present; Hospital Affiliation: Tagum Doctors' Hospital, Inc.</p>  |
| 9. | Juarez, Mariebeth P.<br>61 years old, Filipino | <p>Obstetrician and Gynecologist - Fellow in High-Risk Pregnancy and OB-Gyne Ultrasound, Graduated from Manila Central University Felimon D. Tanchoco Medical Hospital 2004, Finished OB-Gyne Residency at Bicol Medical Center, Naga City (1999) Graduate of Davao Medical School Foundation, year 1989; Medical Specialist 3, Consultant, Obstetrics and Gynecology Department, Davao Regional</p>  |

|     |  |  |
|-----|--|--|
|     |  | Medical Center from 2016 to present. Other Hospitals Affiliations; Medical Mission Hospitals, Bishop Regan Memorial Hospital, Tagum Doctors Hospital; Corporate Secretary, Tagum Global Medical Center, Inc. 2018 - to present. Clinics: Tagum Global Medical Center OPD, Juarez Women's Clinic and Ultrasound   |
| 10. | Llanos, Aryeel D.<br>56 years old, Filipino          | Graduated in the College of Medicine from Davao Medical School Foundation-1994<br>Internal Medicine Residency Training at Davao Regional Medical Center 1997-1999<br>Cardio Fellowship at Philippine Heart Center 2001-2023<br>Training Officer, Department of Internal Medicine, Davao Regional Medical Center 2006-2009<br>Chairman, Department of Internal Medicine 2014-2024<br>Member, Training Corps, Davao Regional Medical Center  |
| 11. | Lopez, Geanie C.<br>72 years old, Filipino           | Current Positions: Medical Director– Unihealth Paranaque Hospital and Medical Center;<br>Chief of Clinics- Medical Center Muntinlupa Inc.;<br>Chairperson – Allied Care Experts (ACE) Medical Center – Cebu;<br>Chairperson – Allied Care Experts (ACE) Dumaguete Doctors;<br>Vice President – Allied Care Experts (ACE) Medical Center – Palawan;<br>Chairperson – Allied Care Experts (ACE) Medical Center CDO;<br>Corporate Secretary- Allied Care Experts (ACE) Medical Center Mandaluyong;<br>Assistant Corporate Secretary – Allied Care Experts (ACE) Medical Center – Bohol.   |
| 12. | Mendoza, Maria Bernarda DJ<br>57 years old, Filipino | Medical Specialist IV/Active Consultant - Department of OBGYN DRMC 2013 up to Present; Visiting Consultant OB-GYN Department DRMC- 1999 up to 2013; OB-GYN Ultrasound DRMC 1999 — present; In clinical practice since 1999 up to present; Clinica Mendoza consultant 2000 up to present; Board of Directors Tagum Metro Health Service 2007 up to present; Board Treasurer - Tagum Metro Health Services 2018 up to present; Board of Director- Tagum Global Medical Center, Inc. 2018 up to present: Chairman, Tagum Metropolitan Health Services 2019-present.<br>Training Officer, Dept. of OB-Gyn, Davao Regional Medical Center, 2022-present |
| 13. | Nuevas, Nimfa L.<br>57 years old, Filipino           | Chairman Dept of Ob-Gyn MMH 2000-2018; President POGS Region 8 Chapter; Corp Treasurer POGS Reg 8 Chapter 2018; Asst Treasurer POGS Reg 8 Chapter March 2019-present; Corp Treasurer ACEMC-Tacloban 2015-present;<br>Assistant Treasurer- Tagum Global Medical Center Inc. 2018 up to present; Member Phil Society of Climacteric Medicine<br>Hospital Affiliations: Mother Mercy Hospital; St. Paul's Hospital; Remedios Trinidad Romualdez Hospital<br>Medical Director ACE Medical Center Tacloban- (2022-present)<br>Board of Directors POGS Region 8 Chapter- (2023-present)  |
| 14. | Perdido, Evelyn Ross H.<br>62 years old, Filipino    | Proprietor & Obstetrics and Gynecology Practitioner, Perdido Obstetrics and Gynecology Clinic, Tagum Doctors Hospital, Tagum City, Davao del Norte; Graduated from Davao Medical School Foundation (1989); Finished Obstetrics and Gynecology Specialty  |

|      |   |   |
|------|---|---|
|      |   | Training at Davao Regional Medical Center (1998); Corporate Treasurer,ACE-Tagum Global Medical Center, 2018 up to present.  |
| 15.  | Pono,Glen A.<br>56 years old,Filipino               | Graduate studies-University of Philippines-Manila -Master of Science in Clinical Epidemiology. University of Southeastern Philippines-Mintal Doctor of Philosophy in Development Research Administration. Philippines Medical Association -Member (2004-present). Philippines College of Physicians-Diplomate and Fellow (2002-present). Philippine College of Chest Physicians-Diplomate and Fellow (2001-present). Medical Specialist II-Davao Regional Medical Center (2017-present). Medical Specialist IV (PT). Medical Director -Tagum Global Medical Center,Inc. ( present).   |
| 16.. | Quilisadio, John Elmer C.<br>41 years old, Filipino | Medical Specialist II Part-time (2017-present) - Davao Regional Medical Center (DRMC); Active Consultant, Section Head of Rheumatology- DRMC Department of Internal Medicine; Chairman, Research Technical Review Committee- DRMC Department of Internal Medicine; Training Core Committee member- DRMC Department of Internal Medicine; Fellow and Diplomate, Philippine Rheumatology Association, October 5, (2017- present); Fellow and Diplomate, Philippine College of Physicians, (May 2016- present); Member, Asia-Pacific League of Association in Rheumatology Young Rheumatologist; Member of the Special Interest Group of the Philippine Rheumatology Association in Vasculitis and Osteoarthritis; Technical Committee Head, Philippine Rheumatology Association Annual Convention 2019, SMX, Davao City; Faculty Lecturer of the of the University of Southeastern Philippines School of Medicine and Brokenshire College School of Medicine.<br><br>Visiting Internal Medicine and Rheumatology Consultant in the ff: Hospitals:<br>Rivera Medical Center- (2017-present)<br>Medical Mission Group of Hospitals-Tagum (2017-present)<br>Tagum Doctors Hospital- (2017-present)<br>Aquino Medical Specialist Hospital (207-present) |
| 17.  | Samoy, Marietta T.<br>65 years old, Filipino        | Administrator - MCM Muntinlupa Medical Center (2021-present); Board Member – Paranaque Doctors Hospital (2021-present); Business Office Head – Las Pinas City Medical Center (2021-present); Board Member – ACE Group of Hospitals; Medical Director - Unihealth Hospital and Medical Center (2021-present); Board Member of all ACE Group of Hospitals.  |
| 18.  | Valencia, Orlando A.<br>55 years old, Filipino      | Anesthesiologist, Graduated from Iloilo Doctors College of Medicine 2000; Residency Training at Davao Regional Hospital; Masteral: Saint Joseph College of Quezon City (Undergrad); Hospital Affiliations: Tagum Doctors Hospital, Aquino Medical Specialist Hospital, Davao Del Norte District Hospital.   |
| 19.  | Viernes, La Rhaine G.<br>57 years old, Filipino     | Tagum Global Medical Center, Inc.-President (2018-Present); Founder/ Director- ACE Palawan (2017-Present); Founder Director-ACE Legazpi (2016-Present); ACE Council President (2021-2023); Chairman of the Department of Pediatrics, ACE Tacloban (2019-  |

|  |  |   |
|--|--|---|
|  |  | <p>Present; ACE Medical Centre Tacloban – Founder Director; ACE Medical Centre Palawan, Board of Director (2017-Present); Council Secretary (2017-2019); MMH Hospital Tacloban City-Active Consultant (2014-Present); Department of Pediatrics, Divine Word Hospital, Consultant Staff (2001-Present); Philippine Pediatric Society- Eastern Visayas-Chapter President (2016-2018); Advisory Board-Philippine Pediatric Society, Eastern Visayas (2019-Present)</p> <p>Hospital Affiliations:</p> <p>ACEMC-Tacloban - Active Consultant (2019-Present); Mother of Mercy Hospital-Active consultant (2014-Present); RTR Hospital - Active Consultant (1998-Present); Divine Word Hospital - Visiting Consultant (1998-Present)</p> |
|--|--|---|

**INCUMBENT OFFICERS**

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Amado Manuel C. Enriquez</li> <li>2. Maria Bernarda D.J. Mendoza</li> <li>3. La Rhaine G. Viernes</li> <li>4. Mae T. Dalisay</li> <li>5. Evelyn Ross H. Perdido</li> <li>6. Nimfa L. Nuevas</li> <li>7. Mariebeth P. Juarez</li> <li>8. Marietta T. Samoy</li> </ol> | <ul style="list-style-type: none"> <li>- Chairman, see foregoing Director's Profile</li> <li>- Vice-Chairman, see foregoing Director's Profile</li> <li>- President, see foregoing Director's Profile</li> <li>- Vice-President, see foregoing Director's Profile</li> <li>- Treasurer, see foregoing Director's Profile</li> <li>- Asst. Treasurer, see foregoing Director's Profile</li> <li>- Corporate Secretary, see foregoing Director's Profile</li> <li>- Asst. Corporate Secretary, see foregoing Director's Profile</li> </ul> |
|--|--|

## **ANNEX “B”**

### **MANAGEMENT REPORT**

#### **1. Independent Auditor**

During the two most recent fiscal years or any subsequent interim period, the Company’s independent accountant, Perez, Sese, Villa & Co. CPAs, has not resigned, nor was dismissed or otherwise ceased performing services for the Company; there were no disagreements with the said independent accountant on any matter of accounting and financial disclosure.

#### **2. Description of Business**

TAGUM GLOBAL MEDICAL CENTER, INC. is a stock corporation duly organized under the laws of the Republic of the Philippines on 25 April 2018. It was established to 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, condo hospitals, scientific research and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified 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.

TAGUM GLOBAL MEDICAL CENTER, INC. aims to be the benchmark of a successful health provider in Davao del Norte by setting up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and justifiable medical services to its clients and stakeholders.

TAGUM GLOBAL MEDICAL CENTER, INC. will further accomplish its mission and purpose through the acquisition of complete and world-class facilities, provide medical specialists who are competent and fully qualified in their line of work, and have equally efficient, well-motivated employees and management staff.

When operational, Tagum Global Medical Center, Inc. will be a 116-bed, Level II, Philhealth accredited hospital in Tagum City in the Province of Davao Del Norte. The medical services will be departmentalized according to specialty, along with the ancillary services such as the laboratory, pharmacy, rehabilitation, radiology and dental services.

The Hospital will serve the patients of Tagum City and other municipalities surrounding the city like Asuncion, Braulio E. Dujali, Carmen, Kapalong and other catchment areas with the main objective of delivering quality health care and services that will be affordable for the Tagumeños.

Tagum Global Medical Center has started its operation last December 18, 2023.

The principal suppliers of the Company for its equipment and essential raw materials are the following:

| <b>Contractor/ Supplier</b>                                      | <b>Description of Contract</b>       |
|--|--------------------------------------|
| AIRPRO Systems, Inc.   | Mechanical Works                     |
| Allen Achas  | Pile Drive Management                |
| Alviento Ignacio & Associates                                    | Architectural Design                 |
|  | Pile Drive Management                |
| Ancor Water Resouces   | Deepwell                             |
| ASB Electrical Inc.  | Auxiliary Works                      |
| Carwill Construction Inc.  | Architectural Design                 |
|  | Civil Works, Structural & Masonry    |
|  | Electrical Works                     |
|  | Fire Protection Works                |
| Cruz Viscarra Architects   | Interior Design Services             |
| DeoCura Builders, Inc.   | Construction Management Services     |
| DN Distributions Center, Inc.                                    | Roofing Works                        |
| Fleet Industrial Technologies                                    | Generator Sets                       |
| Galagala Electrical, Mechanical & Engineering Service and Supply | Panel Boards, ATS & Circuit Breakers |
| Hasland Water Systems Industrial Services                        | Fire & Jockey Pumps                  |
|  | Plumbing Pumps & Motors              |
| MTC Construction Services  | Sewage Treatment Plant               |
| Oliver Doors and Builders Supply                                 | Steel Jambs and Doors                |
| Phelps Dodge   | Wires & Cables                       |
| Philips and Glass Aluminum Sales, Inc.                           | Aluminum, Glass & Glazing            |
| Robert Villamor  | Soil Embankment                      |
| Siemens HealthCare   | CT Scan                              |
| SteelAsia  | Reinforcing Bars                     |
| Strongbase   | Pile Driving Works                   |
| Tech A Byte  | Elevators                            |
| UMS  | Medical Gas                          |
| UPK Medical Supplies   | OR Lights                            |
| Urban Consolidated Constructors Phils                            | Plumbing Works                       |

The Company is not expected to be dependent upon one or a limited number of suppliers for its hospital equipment and essential raw materials. Issuer has instituted a procurement policy to ensure that it enters into contracts with its

suppliers that are most beneficial to the hospital. The Issuer invites at least three (3) bidders for every supply contract that it intends to enter into.

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

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

**31-Mar-2025 (Unaudited)**

| <u>Nature of Relationship</u> | <u>Nature of Transaction</u> | <u>Amount (current transaction)</u> | <u>Outstanding balance</u> | <u>Terms</u>  | <u>Conditions</u> |
|-------------------------------|------------------------------|-------------------------------------|----------------------------|---|-------------------|
| Shareholders                  | Advances from                |                                     |                            | Non-interest bearing; payable in cash; no scheduled repayment terms | Unsecured         |
|                               | Additional                   | ₱ 3,885,618                         | ₱ 40,468,936               |   |                   |
|                               | Loans                        |                                     |                            | Interest bearing; payable in cash; no scheduled repayment terms     | Unsecured         |
|                               | Additional loan Payments     | ₱ -                                 | ₱ 15,650,000               |   |                   |
|                               | Interest expense Payments    | ₱ 2,161,233                         | ₱ 2,161,233                | Payable in cash and on demand                                       | Unsecured         |

Tagum Global Medical Center, Inc. has secured the necessary permits and licenses from national and local government entities particularly the Permit to Construct from the Department of Health (DOH) and Environmental Compliance Certificate from DENR.

The License to Operate (LTO) was granted by the Department of Health last December 12, 2024 and the Occupancy Permit from the Building Official was granted last July 25, 2023. The DOH conducted ocular inspection of the facilities of the Hospital, as well as the pre-operation procedures of Tagum Global Medical Center, Inc. to ensure that it was compliant with the standards of the department prior to the issuance of the LTO.

Required permits such as Building Permit and Business Permit were also secured by the Company from the Office of the City Mayor and from the Business Permit, and Licensing Division respectively which were granted last May 26, 2020 and last Jan. 22, 2024 respectively.

The Company is not involved in any legal proceedings.

### **3. Securities of the Registrant**

#### **Market Price, Dividend and Related Stockholder Matters**

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

|                     | 1st Quarter |         | 2nd Quarter |         | 3rd Quarter |         | 4th Quarter |         | 1st Quarter |
|---------------------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|
| <i>Market Price</i> | 2023        | 2024    | 2023        | 2024    | 2023        | 2024    | 2023        | 2024    | 2025        |
| High                | 250,000     | 300,000 | 250,000     | 300,000 | 250,000     | 300,000 | 250,000     | 300,000 | Php300,000  |
| Low                 | 250,000     | 300,000 | 250,000     | 300,000 | 250,000     | 300,000 | 250,000     | 300,000 | Php300,000  |

*\*The Company's Permit to Sell Securities was issued on March 10, 2022 under SEC MSRD Order No. 12, Series of 2022.*

The price as of March 18, 2025 (latest practicable trading date) is Php 300,000.00 per block (10 shares).

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

There are approximately 84 holders of common shares of the Company as of December 31, 2024.

Please refer to Annex "C", page 45 for the list of top 20 stockholders as of December 31, 2024.

No dividends were declared by the Company since its incorporation in 2018 since the Company has just started its operations last December 18, 2023.

As stated in the Company's By-Laws, dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them as often and as such times as decided on the Board of Directors.

Based on the Issuer's loan agreement with the DBP, dividend declarations shall be subject to the approval of the Bank.

There is no recent sale of unregistered or exempt securities.

#### **4. Management's Discussion and Analysis or Plan of Operation**

##### **FOR THE FIRST QUARTER OF 2025**

###### *Changes in Operating Results*

The following table shows the consolidated financial highlights of the Company for the three months ended March 31, 2025 and 2024:

|                              | For the three months ended |                       | Horizontal Analysis   |                 | Vertical Analysis |              |
|------------------------------|----------------------------|-----------------------|-----------------------|-----------------|-------------------|--------------|
|                              | 31-Mar-25                  | 31-Mar-24             | Inc (Dec)             | %age            | 31-Mar-25         | 31-Mar-24    |
| Revenue                      | ₱ 77,519,450               | ₱ 13,917,166          | ₱ 63,602,284          | -457.01%        | 100%              | 100%         |
| Other income                 | 2,046,655                  | 1,188,349             | (858,306)             | 72.23%          | 3%                | 9%           |
| Cost of sales                | (51,228,157)               | (19,816,616)          | 31,411,541            | 158.51%         | -66%              | -142%        |
| Operating expenses           | (7,888,228)                | (8,199,826)           | (311,598)             | -3.80%          | -10%              | -59%         |
| Finance cost                 | (15,998,094)               | (14,523,200)          | 1,474,894             | 10.16%          | -21%              | -104%        |
| Income tax benefit (expense) | (1,653,146)                | 6,857,578             | (8,510,724)           | -124.11%        | -2%               | 49%          |
| <b>Net income (loss)</b>     | <b>₱ 2,798,480</b>         | <b>₱ (20,576,549)</b> | <b>₱ (23,375,029)</b> | <b>-113.60%</b> | <b>4%</b>         | <b>-148%</b> |

As disclosed in Note 1 in the financial statements, the Company has commenced commercial operation and the construction of a multidisciplinary medical facility (hospital) is completed by fourth quarter of 2024.

Revenue increased by 457%. The Hospital is on its second year of full operation and gained more patients as compared to first quarter of 2024 which is just its start full operation.

Other income during March 31, 2025 is higher than March 31, 2024 by 72.23%. This was mainly due hospital's second year of full operation which have gained additional patients, increasing the income from canteen and other miscellaneous income.

Cost of sales and services increased by 158.51%. As the Company gained more patient and started creating a name in Tagum on its second year of full operation, the increase in revenue would also mean increase in cost of sales and services.

The 3.8% decrease in operating expenses for the three months ended March 31, 2024 compared with the March 31, 2024 is the result of the Company's effort to minimize administrative expenses.

The Company incurred income tax expense for the first quarter of 2025 due to positive result of operation in this quarter as compared to loss in 2024.

The positive result of operation in March 31, 2025 as compared to loss in 2024 is attributable to the Company's effort to make TGMCI known in Tagum area, gaining more patients on its second year of operation.

*Financial Condition*

|                                       | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) | Horizontal Analysis |            | Vertical Analysis |                   |
|---------------------------------------|-------------------------------|--------------------------------|---------------------|------------|-------------------|-------------------|
|                                       |                               |                                | Inc(Dec)            | %age       | March 31, 2025    | December 31, 2024 |
| <b>ASSETS</b>                         |                               |                                |                     |            |                   |                   |
| <b>Current Assets</b>                 |                               |                                |                     |            |                   |                   |
| Cash                                  | ₱ 48,438,035                  | ₱ 7,916,354                    | ₱ 40,521,681        | 512%       | 4%                | 1%                |
| Trade and other receivables           | 35,513,401                    | 62,404,351                     | (26,890,950)        | -43%       | 3%                | 5%                |
| Inventories                           | 20,893,130                    | 19,701,018                     | 1,192,112           | 6%         | 2%                | 2%                |
| Prepayments and other current assets  | 6,598,284                     | 4,274,019                      | 2,324,265           | 54%        | 1%                | 0%                |
| <b>Total Current Assets</b>           | <b>111,442,850</b>            | <b>94,295,742</b>              | <b>17,147,108</b>   | <b>18%</b> | <b>9%</b>         | <b>8%</b>         |
| <b>Non-current Assets</b>             |                               |                                |                     |            |                   |                   |
| Advances to contractors and suppliers | 15,227,481                    | 15,200,701                     | 26,780              | 0%         | 1%                | 1%                |
| Property and equipment - net          | 1,036,902,710                 | 1,038,894,124                  | (1,991,414)         | 0%         | 87%               | 89%               |
| Intangible asset, net                 | 954,167                       | 1,016,667                      | (62,500)            | -6%        | 0%                | 0%                |
| Financial Asset at FVOCI              | 4,500                         | 4,500                          | -                   | 0%         | 0%                | 0%                |
| Refundable deposit                    | 2,653,611                     | 2,653,611                      | -                   | 0%         | 0%                |                   |
| Deferred tax asset                    | 18,165,566                    | 19,818,712                     | (1,653,146)         | -8%        | 2%                | 2%                |
| <b>Total Non-Current Assets</b>       | <b>1,073,908,035</b>          | <b>1,077,588,315</b>           | <b>(3,680,280)</b>  | <b>0%</b>  | <b>91%</b>        | <b>92%</b>        |
| <b>Total Assets</b>                   | <b>₱ 1,185,350,885</b>        | <b>₱ 1,171,884,057</b>         | <b>₱ 13,466,828</b> | <b>1%</b>  | <b>100%</b>       | <b>100%</b>       |
| <b>LIABILITIES AND EQUITY</b>         |                               |                                |                     |            |                   |                   |
| <b>Current Liabilities</b>            |                               |                                |                     |            |                   |                   |
| Payables                              | ₱ 119,820,153                 | ₱ 114,641,025                  | ₱ 5,179,128         | 5%         | 10%               | 10%               |
| Advances to shareholders              | 40,468,936                    | 36,583,318                     | 3,885,618           | 100%       | 3%                | 3%                |
| Loans payable                         | 105,000,000                   | 110,650,000                    | (5,650,000)         | -5%        | 9%                | 9%                |
| Other current liabilities             | 995,486                       | 1,691,884                      | (696,398)           | -41%       | 0%                |                   |
| <b>Total Current Liabilities</b>      | <b>266,284,575</b>            | <b>263,566,227</b>             | <b>2,718,348</b>    | <b>1%</b>  | <b>22%</b>        | <b>22%</b>        |
| <b>Non-Current Liabilities</b>        |                               |                                |                     |            |                   |                   |
| Loans payable                         | 540,800,000                   | 540,800,000                    | -                   | 0%         | 46%               | 46%               |
| <b>Total Liabilities</b>              | <b>807,084,575</b>            | <b>804,366,227</b>             | <b>2,718,348</b>    | <b>0%</b>  | <b>68%</b>        | <b>69%</b>        |
| <b>Equity</b>                         |                               |                                |                     |            |                   |                   |
| Share capital                         | 217,280,000                   | 216,910,000                    | 370,000             | 0%         | 18%               | 19%               |
| Share premium                         | 228,196,750                   | 220,616,750                    | 7,580,000           | 3%         | 19%               | 19%               |
| Deposit for future stock subscription | 10,000,000                    | 10,000,000                     | -                   | 0%         | 1%                | 1%                |
| Accumulated deficit                   | (77,210,440)                  | (80,008,920)                   | 2,798,480           | -3%        | -7%               | -7%               |
| <b>Equity, Net</b>                    | <b>378,266,310</b>            | <b>367,517,830</b>             | <b>10,748,480</b>   | <b>3%</b>  | <b>32%</b>        | <b>31%</b>        |
| <b>Total Liabilities and Equity</b>   | <b>₱ 1,185,350,885</b>        | <b>₱ 1,171,884,057</b>         | <b>₱ 13,466,828</b> | <b>1%</b>  | <b>100%</b>       | <b>100%</b>       |

As of March 31, 2025, the assets of the Company amount to ₱1,185,350,885, 1% or ₱13,466,828 higher than the December 31, 2024 balance of ₱1,171,884,057. The increase was caused by the increase in cash, inventories, prepayments and other current assets and advances to contractor and suppliers. This was negated by the decrease in trade and other receivables, property and equipment, intangible asset and deferred tax asset.

Cash increased by ₱40,521,681. The increase in cash was primary due to proceeds from issuance of shares, advances from shareholders and cash generated from operation. This is negated by acquisition of property and equipment and principal and interest payments on loans.

Trade and other receivables decreased by ₱26,890,950. This was due to collections of receivables.

Inventories increased by ₱1,192,112 due to additional purchases of hospital, linen and office supplies due to commencement of operation.

Prepayments and other current assets increased by ₱2,324,265 This is primarily due to the increase in prepaid income tax and input tax.

Advances to contractors increased by ₱26,780 due to additional advance payment made to suppliers, net of application of advance payment on the acquisition of property and equipment and supplies.

Property and equipment decreased by .2% or ₱1,991,414. The decrease was primarily due to depreciation for the first quarter of 2025 amounting to ₱6,492,393. This is negated by the additional capital expenditures amounting to ₱4,500,979.

Intangible asset decreased by ₱62,500. The decrease was primarily due to amortization for the first quarter of 2025.

There was no movement in Financial asset at FVOCI.

There is no movement in refundable deposit.

Deferred tax asset decreased by ₱1,653,14 due to the application of NOLCO and reversal of DTA on credit due to recovery of allowance for credit losses in the first quarter of 2025.

Total liabilities increased by ₱2,718,348. The increase was primarily due to additional advances from shareholders and increase in accounts payable. This is negated by the payment of loans payable obtained from the bank in relation to the construction of the hospital building and medical equipment and decrease in other current liabilities.

Payables increased by ₱5,179,128 primarily due to increase in accounts payable in relation to acquisition of property and equipment and additional liabilities incurred in relation to the Company's operation.

Advances from shareholders for the three months ended March 31, 2024 increased by ₱3,885,618. This was primarily due to additional advances from shareholders.

The decrease in loans payable was primarily due to the principal repayment of loans obtained from the bank.

The increase in equity was primarily due to the issuance of shares and additional share premium and the positive result of operation for the first quarter of 2025. Net increased in equity amounted to ₱10,748,480 or 3%.

#### *Material Changes in Financial Condition*

|  |
|--|
| <b>a. Cash decreased by ₱40.5M</b>   |
| The increase in cash was primary due to proceeds from issuance of shares, advances from share-holders and cash generated from operation. This is negated by acquisition of property and equip-ment and principal and interest payments on loans. |
| <b>b. Trade and other receivables decreased by ₱26.89M</b>   |
| This was due to collections of receivables.  |
| <b>c. Inventories increased by ₱1.1M</b>   |
| Due to additional purchases of hospital, linen and office supplies due to commencement of operation.   |

|  |
|--|
| <b>d. Prepayments and other current assets increased by ₱2.3M</b><br>This is primarily due to the decrease in prepaid withholding tax on compensation and input tax.   |
| <b>e. Advances to contractors decreased by ₱1.632M</b><br>This is primarily due to the increase in prepaid income tax and input tax  |
| <b>f. Property and equipment decreased by ₱1.1M</b><br>The decrease was primarily due to depreciation for the first quarter of 2025 amounting to ₱6,492,393. This is negated by the additional capital expenditures amounting to ₱4,500,979. |
| <b>g. Intangible asset decreased by ₱.0625M</b><br>Due to amortization for the first quarter of 2025.  |
| <b>h. Deferred tax asset decreased by ₱1.65M</b><br>Due to the application of NOLCO and reversal of DTA on credit due to recovery of allowance for credit losses in the first quarter of 2025.   |
| <b>i. Payables increased by ₱5.17M</b><br>Primarily due to increase in accounts payable in relation to acquisition of property and equipment and additional liabilities incurred in relation to the Company's operation.                     |
| <b>j. Advances from shareholders increased by ₱3.88M</b><br>Due to additional advances from shareholders.  |
| <b>k. Loans payable decreased by ₱5.65M</b><br>Primarily due to the principal repayment of loans obtained from the bank  |
| <b>l. Othe current liabilities decreased by ₱.696M</b><br>Due to payment of statutory and BIR liabilities.   |
| <b>m. Equity increased by ₱10.748M</b><br>Primarily due to the issuance of shares and additional share premium and the positive result of operation for the first quarter of 2025  |

#### *Material Changes in Operating Results*

|  |
|--|
| <b>a. Revenue increased by 457%</b><br>The Hospital is on its second year of full operation and gained more patients as compared to first quarter of 2024 which is just its start full operation.  |
| <b>b. Other income increased by 72.23%</b><br>This was mainly due hospital's second year of full operation which have gained additional patients, increasing the income from canteen and other miscellaneous income.                                       |
| <b>c. Cost of sales and services increased by 158.51%</b><br>As the Company gained more patient and started creating a name in Tagum on its second year of full operation, the increase in revenue woul also means increase in cost of sales and services. |
| <b>d. Operating expenses decreased by 3.8%</b><br>Primarily due to result of the Company's effort to minimize administrative expenses  |
| <b>e. Income tax benefit decreased by 124.11%</b><br>The Company incurred income tax expense for the first quarter of 2025 due to positive result of operation in this quarter as compared to loss in 2024.  |
| <b>f. Loss decreased by 113.6%</b><br>The positive result of operation in March 31, 2025 as compared to loss in 2024 is attributable to the Company's effort to make TGMCI known in Tagum area, gaining more patients on its second year of operation.     |

#### *Key Performance Indicators*

|                |                |
|----------------|----------------|
| <b>Mar 31,</b> | <b>Mar 31,</b> |
|----------------|----------------|

|   | <b>2025</b>            | <b>2024</b>               |
|---|------------------------|---------------------------|
| <b>1. Liquidity</b><br><b>a. Quick ratio</b> - capacity to cover its short-term obligations using only its most liquid assets.<br>[(cash + A/R+inventories) / current liabilities]<br><br><b>b. Current ratio</b> - capacity to meet current obligations out of its liquid assets.<br>(current assets / current liabilities)  | 0.39:1<br><br>0.42:1   | 0.14:1<br><br>0.14:1      |
| <b>2. Solvency</b><br><b>a. Debt to equity ratio</b> - indicator of which group has the greater representation in the assets of the Company.<br>(total liabilities / equity)  | 2.134:1                | 2.887:1                   |
| <b>3. Profitability</b><br><b>a. Net profit margin</b> - ability to generate surplus for stockholder<br>(net income / sales)<br><br><b>b. Return on equity</b> - ability to generate returns on investment of stockholders.<br>(net income /average equity)<br>Remarks: The Company has not commenced commercial operation and is still at pre-operating stage in 2023. | 0.036:1<br><br>0.008:1 | (1.479:1)<br><br>(0.07:1) |
| <b>4. Leverage</b><br><b>b. Debt to total asset ratio</b> - the proportion of total assets financed by creditors.<br>(total debt / total assets)<br><br><b>c. Asset to equity ratio</b> - indicator of the overall financial stability of the Company.<br>(total assets / equity)   | 0.681:1<br><br>3.134:1 | 0.743:1<br><br>3.887:1    |
| <b>2. Interest Rate Coverage Ratio</b><br><b>b. Interest rate coverage ratio</b> - measure of the company's ability to meet its interest payments<br>(earnings before interest and taxes / interest expense)<br>Remarks: The Company was able to meet its interest payments. The negative result was due to loss from pre-operations.                                   | 1.278:1                | (0.889:1)                 |

There were no material events that would trigger direct or indirect contingent financial obligation that would materially affect the company's operation, including any default or acceleration of obligation.

The Company did not enter into any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons during the period.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

The Company has commitments for capital expenditures during the quarter as disclosed in Note 9 of the unaudited interim financial statements. These were funded by the proceeds from loans, advances and issuance of shares.

There were no significant elements of income or loss that did not arise from the Company's continuing pre-operations. The Company commenced commercial operation in December 2023.

There were no seasonal aspects that had any material effect on the financial condition or results of operations of the Company.

The Company is not a party to any lawsuit or claims arising from the ordinary course of business.

#### *Financial Risks*

1. Interest Rate Risk – The Company's interest rate risk is limited to its cash in banks and loans payable.
2. Credit Risk – The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD.
3. Liquidity Risk – As part of the Company's overall liquidity management, the Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any.

The Company has no investments in foreign securities.

#### **FOR THE FULL FISCAL YEARS**

#### **DECEMBER 31, 2024 DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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

|                              | <i>As of December 31</i> |                      |                     |
|------------------------------|--------------------------|----------------------|---------------------|
|                              | <i>2024</i>              | <i>2023</i>          | <i>2022</i>         |
| <b>Income Statement Data</b> |                          |                      |                     |
| Revenue                      | P 183,033,578            | P 735,623            | P -                 |
| Cost of sales and services   | (144,369,785)            | (2,776,774)          | -                   |
| Other income                 | 3,600,561                | 412,894              | 9,532               |
| Operating expenses           | (38,503,333)             | (26,155,555)         | (2,441,029)         |
| Finance cost                 | (56,503,113)             | (3,255,146)          | -                   |
| Income tax benefit           | 11,024,067               | 7,685,476            | 570,598             |
| <b>Net Loss</b>              | <b>(P41,718,025)</b>     | <b>(P23,353,482)</b> | <b>(P1,860,899)</b> |

As disclosed in the Note 1 in the financial statements, the Company was incorporated on April 25, 2018 and has launched the full opening and full commercial operations of its hospital building and facilities in December 18, 2023.

Revenue

Revenue generated for the year ended 2024 amounted to ₱183M. This was due to start of the Company's full operation of the hospital in 2024.

#### Cost of Sales and Services

Cost of sales and services for the year ended 2024 amounted to ₱144M. This was directly associated with the start of the Company's full operation in 2024. The major component of the cost of sales and services are employee's compensation and benefits, supplies, depreciation, outside services, utilities, dietary expenses and professional fees.

#### Other Income

Other income increased by 772%. This is primarily due to increase in interest income, income from cafeteria and miscellaneous income in relation to the operation of the hospital.

#### Operating Expenses

Operating expenses during December 31, 2024 are higher compared to December 31, 2023 expenses by 47%. This is primarily due to increase in taxes and licenses, transportation, professional fee, salaries and wages insurance, recruitment expenses, outside services, office supplies and all expenses in relation to the full operation of the hospital.

#### Income tax benefit

The account increased by 43% was primarily due to higher expenses resulting to higher taxable loss for the year 2024.

#### Loss for the year

Loss for the year ended December 31, 2024 is higher than in 2023 by 79% primarily due to the significant increase of expenses as the Company started the full operation of the hospital 2024.

#### *Financial Condition*

Total assets increased from ₱1,134.5M to ₱1,171.9M, a 3% increase from December 31, 2023. The increase was due to the significant increase in receivables, inventories, prepayments and other current assets property and equipment, financial asset at FVOCI, refundable deposits and deferred tax asset, negated by the significant decrease in cash and advances to contractors and suppliers.

Cash decreased by ₱56.4M or 88% primarily due to additional acquisition of equipment and furniture and fixtures and operational expenses. This was partly negated by the proceeds from issuance of shares and receipts from commencement of full operation of the hospital in 2024.

Receivables increased by ₱62.28M primarily due to employee's additional reimbursement of sickness benefit and receipts from commencement of full operation of the hospital in 2024.

Inventories increased by ₱18.07M due to additional purchases of hospital, dietary and office supplies due to full operation of the hospital in 2024.

Increase in prepayments and other current assets by ₱3.93M was primarily due to additional VAT input and prepaid income tax and this was negated by prepaid insurance and prepaid withholding tax on compensation.

Advances to contractors and suppliers decreased by ₱2.83M was primarily due to reclassification of the down payments related to the medical equipment, office equipment and furniture and other hospital equipment.

Property and equipment increased by ₱38K primarily due to the additional acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period

Intangible assets increased by ₱1.01M due to use of hospital information system in relation to the full operation of the hospital in 2024. This is net of amortization for the year.

Financial asset at FVOCI increase by ₱650. This was due to the rebates earned for the year 2024.

Refundable deposit increased by ₱210K primarily due to additional deposits in deposits paid for oxygen tanks.

Deferred tax asset increased by ₱11.02M due to the tax effect of losses incurred by the Company for the year 2023.

Total liabilities increased by ₱3.29M. The increase was primarily due to the additional loan availed by the company during the year 2024, advances from shareholder and other current liabilities from government agencies for the period.

Payables decreased by ₱5.14M. This decrease was mainly due to payments of retention payable in relation with the Company's construction of hospital building which was completed in the fourth quarter of 2023. This was negated by additional accounts, accrued expenses of unpaid professional fees and interests on loans.

Advances from shareholders increased by ₱36.59M primarily due to additional advances from shareholders for operation expenses.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building and hospital equipment. The increase was mainly due to the additional loan release from shareholders amounting to ₱29.65M which was negated by the payment of loans amounting to ₱90.20M, resulting to a net decrease in loans payable of ₱60.55M in 2024.

The ₱65.3M increase in the total equity is primarily due to the additional share premium and issuance of share capital for the year. This was negated by the negative result of operation from 2024.

*Key Performance Indicators*

|   | Dec. 31,<br>2024 | Dec. 31,<br>2023 | Dec. 31,<br>2022 |
|---|------------------|------------------|------------------|
| <b>3. Liquidity</b>   |                  |                  |                  |
| <b>a. Quick ratio</b> - capacity to cover its short-term obligations using only its most liquid assets.<br>[(cash + receivables) / current liabilities] | 0.342:1          | 0.284:1          | 0.051:1          |
| <b>b. Current ratio</b> - capacity to meet current obligations out of its liquid assets.<br>(current assets / current liabilities)                      | 0.358:1          | 0.286:1          | 0.052:1          |
| <b>2. Solvency</b>  |                  |                  |                  |

|   |           |            |          |
|---|-----------|------------|----------|
| <b>d. Debt to equity ratio</b> - indicator of which group has the greater representation in the assets of the Company.<br>(total liabilities / equity)  | 2.189:1   | 2.754:1    | 3.221:1  |
| <b>3. Profitability</b>   |           |            |          |
| <b>b. Net profit margin</b> - ability to generate surplus for stockholder<br>(net income / sales)<br>- Remarks: The ratio is not applicable in 2022 and 2021 since the Company is still at pre-operating stage. | (0.228:1) | (31.747:1) | N/A      |
| <b>c. Return on equity</b> - ability to generate returns on investment of stockholders.<br>(net income / equity)  | (0.125):1 | (0.077):1  | (0.13):1 |
| <b>4. Leverage</b>  |           |            |          |
| <b>e. Debt to total asset ratio</b> - the proportion of total assets financed by creditors.<br>(total liabilities / total assets)   | 0.686:1   | 0.734:1    | 0.763:1  |
| <b>f. Asset to equity ratio</b> - indicator of the overall financial stability of the Company.<br>(total assets / equity)   | 3.189:1   | 3.754:1    | 4.221:1  |
| <b>4. Interest Rate Coverage Ratio</b>  |           |            |          |
| <b>c. Interest rate coverage ratio</b> - measure of the company's ability to meet its interest payments<br>(earnings before interest and taxes / interest expense)  | 0.067:1   | (8.535:1)  | N/A      |

#### DECEMBER 31, 2024 COMPARED TO DECEMBER 31, 2023

|                            | For The Year Ended    |                       | Horizontal Analysis   |            | Vertical Analysis |               |
|----------------------------|-----------------------|-----------------------|-----------------------|------------|-------------------|---------------|
|                            | 31-Dec-2024           | 31-Dec-2023           | Inc (Dec)             | %age       | 31-Dec-2024       | 31-Dec-2023   |
| Revenues                   | ₱ 183,033,578         | ₱ 735,623             | ₱ 182,297,955         | 24781%     | 100%              | 100%          |
| Cost of sales and services | (144,369,785)         | (2,776,774)           | (141,593,011)         | 5099%      | -79%              | -377%         |
| Other income               | 3,600,561             | 412,894               | 3,187,667             | 772%       | 2%                | 56%           |
| Operating expenses         | (38,503,333)          | (26,155,555)          | (12,347,778)          | 47%        | -21%              | -3556%        |
| Finance costs              | (56,503,113)          | (3,255,146)           | (53,247,967)          | 1636%      | -31%              | -443%         |
| Income tax benefit         | 11,024,067            | 7,685,476             | 3,338,591             | 43%        | 6%                | 1045%         |
| <b>Net loss</b>            | <b>₱ (41,718,025)</b> | <b>₱ (23,353,482)</b> | <b>₱ (18,364,543)</b> | <b>79%</b> | <b>-23%</b>       | <b>-3175%</b> |

#### Changes in Operating Results

Revenue generated for the year ended 2024 amounted to ₱183M. This was due to start of the Company's full operation of the hospital in 2024.

Cost of sales and services for the year ended 2024 amounted to ₱144M. This was directly associated with the start of the Company's full operation in 2024. The major component of the cost of sales and services are employee's compensation and benefits, supplies, depreciation, outside services, utilities, dietary expenses and professional fees.

Other income increased by 772%. This is primarily due to increase in interest income, income from cafeteria and miscellaneous income in relation to the operation of the hospital.

Operating expenses during December 31, 2024 are higher compared to December 31, 2023 expenses by %. This is primarily due to increase in taxes and licenses, transportation, professional fee, salaries and wages insurance, recruitment expenses, outside services, office supplies and all expenses in relation to the full operation of the hospital.

Income tax benefit increased by 43% was primarily due to higher expenses resulting to higher taxable loss for the year 2024.

Loss for the year ended December 31, 2024 is higher than in 2023 by 79% primarily due to the significant increase of expenses as the Company started the full operation of the hospital 2024.

|                                       | 31-Dec-2024 |                      | 31-Dec-2023 |                      | Horizontal Analysis |                     | Vertical Analysis |             |             |
|---------------------------------------|-------------|----------------------|-------------|----------------------|---------------------|---------------------|-------------------|-------------|-------------|
|                                       |             |                      |             |                      | Inc(Dec)            | %age                | 31-Dec-2024       | 31-Dec-2023 |             |
| <b>ASSETS</b>                         |             |                      |             |                      |                     |                     |                   |             |             |
| <b>Current Assets</b>                 |             |                      |             |                      |                     |                     |                   |             |             |
| Cash                                  | ₱           | 7,916,354            | ₱           | 64,287,204           | ₱                   | (56,370,850)        | -88%              | 1%          | 6%          |
| Receivables                           |             | 62,404,351           |             | 119,015              |                     | 62,285,336          | 52334%            | 5%          | 0%          |
| Inventories                           |             | 19,701,018           |             | 1,626,820            |                     | 18,074,198          | 1111%             | 2%          | 0%          |
| Prepayments and other current assets  |             | 4,274,019            |             | 335,325              |                     | 3,938,694           | 1175%             | 0%          | 0%          |
| <b>Total Current Assets</b>           |             | <b>94,295,742</b>    |             | <b>66,368,364</b>    |                     | <b>27,927,378</b>   | <b>42%</b>        | <b>8%</b>   | <b>6%</b>   |
| <b>Non-current Assets</b>             |             |                      |             |                      |                     |                     |                   |             |             |
| Advances to contractors and suppliers |             | 15,200,701           |             | 18,031,152           |                     | (2,830,451)         | -16%              | 1%          | 2%          |
| Property and equipment - net          |             | 1,038,894,124        |             | 1,038,855,991        |                     | 38,133              | 0%                | 89%         | 92%         |
| Intangible asset, net                 |             | 1,016,667            |             | -                    |                     | 1,016,667           | 0%                | 0%          | 0%          |
| Financial Asset at FVOCI              |             | 4,500                |             | 3,850                |                     | 650                 | 17%               | 0%          | 0%          |
| Refundable deposit                    |             | 2,653,611            |             | 2,443,611            |                     | 210,000             | 9%                | 0%          | 0%          |
| Deferred tax asset                    |             | 19,818,712           |             | 8,794,645            |                     | 11,024,067          | 125%              | 2%          | 1%          |
| <b>Total Non-Current Assets</b>       |             | <b>1,077,588,315</b> |             | <b>1,068,129,249</b> |                     | <b>9,459,066</b>    | <b>1%</b>         | <b>92%</b>  | <b>94%</b>  |
| <b>Total Assets</b>                   | ₱           | <b>1,171,884,057</b> | ₱           | <b>1,134,497,613</b> | ₱                   | <b>37,386,444</b>   | <b>3%</b>         | <b>100%</b> | <b>100%</b> |
| <b>LIABILITIES AND EQUITY</b>         |             |                      |             |                      |                     |                     |                   |             |             |
| <b>Current Liabilities</b>            |             |                      |             |                      |                     |                     |                   |             |             |
| Payables                              | ₱           | 114,641,025          | ₱           | 119,778,297          | ₱                   | (5,137,272)         | -4%               | 10%         | 11%         |
| Advances from shareholders            |             | 36,583,318           |             | -                    |                     | 36,583,318          | 0%                | 3%          | 0%          |
| Loans payable - current               |             | 110,650,000          |             | 112,000,000          |                     | (1,350,000)         | -1%               | 9%          | 10%         |
| Other current liabilities             |             | 1,691,884            |             | 541,631              |                     | 1,150,253           | 212%              | 0%          | 0%          |
| <b>Total Current Liabilities</b>      |             | <b>263,566,227</b>   |             | <b>232,319,928</b>   |                     | <b>31,246,299</b>   | <b>13%</b>        | <b>22%</b>  | <b>20%</b>  |
| <b>Non-Current Liabilities</b>        |             |                      |             |                      |                     |                     |                   |             |             |
| Loans payable - non current           |             | 540,800,000          |             | 600,000,000          |                     | (59,200,000)        | -10%              | 46%         | 53%         |
| <b>Total Liabilities</b>              |             | <b>804,366,227</b>   |             | <b>832,319,928</b>   |                     | <b>(27,953,701)</b> | <b>-3%</b>        | <b>69%</b>  | <b>73%</b>  |
| <b>Equity</b>                         |             |                      |             |                      |                     |                     |                   |             |             |
| Share capital                         |             | 216,910,000          |             | 142,120,000          |                     | 74,790,000          | 53%               | 19%         | 13%         |
| Share premium                         |             | 220,616,750          |             | 188,348,580          |                     | 32,268,170          | 17%               | 19%         | 17%         |
| Deposit for future stock subscription |             | 10,000,000           |             | 10,000,000           |                     | -                   | 0%                | 1%          | 1%          |
| Accumulated deficit                   |             | (80,008,920)         |             | (38,290,895)         |                     | (41,718,025)        | 109%              | -7%         | -3%         |
| <b>Equity, Net</b>                    |             | <b>367,517,830</b>   |             | <b>302,177,685</b>   |                     | <b>65,340,145</b>   | <b>22%</b>        | <b>100%</b> | <b>100%</b> |
| <b>Total Liabilities and Equity</b>   | ₱           | <b>1,171,884,057</b> | ₱           | <b>1,134,497,613</b> | ₱                   | <b>37,386,444</b>   | <b>3%</b>         | <b>100%</b> | <b>100%</b> |

### Financial Condition

Total assets increased from ₱1,134.5M to ₱1,171.9M, a 3% increase from December 31, 2023. The increase was due to the significant increase in receivables, inventories, prepayments and other current assets property and equipment, financial asset at FVOCI, refundable deposits and deferred tax asset, negated by the significant decrease in cash and advances to contractors and suppliers.

Cash decreased by ₱56.4M or 88% primarily due to additional acquisition of equipment and furniture and fixtures and operational expenses. This was partly negated by the proceeds from issuance of shares and receipts from commencement of full operation of the hospital in 2024.

Receivables increased by ₱62.28M primarily due to employee's additional reimbursement of sickness benefit and receipts from commencement of full operation of the hospital in 2024.

Inventories increased by ₱18.07M due to additional purchases of hospital, dietary and office supplies due to full operation of the hospital in 2024.

Increase in prepayments and other current assets by ₱3.93M was primarily due to additional VAT input and prepaid income tax and this was negated by prepaid insurance and prepaid withholding tax on compensation.

Advances to contractors and suppliers decreased by ₱2.83M was primarily due to reclassification of the down payments related to the medical equipment, office equipment and furniture and other hospital equipment.

Property and equipment increased by ₱38K primarily due to the additional acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period

Intangible assets increased by ₱1.01M due to use of hospital information system in relation to the full operation of the hospital in 2024. This is net of amortization for the year.

Financial asset at FVOCI increase by ₱650. This was due to the rebates earned for the year 2024.

Refundable deposit increased by ₱210K primarily due to additional deposits in deposits paid for oxygen tanks.

Deferred tax asset increased by ₱11.02M due to the tax effect of losses incurred by the Company for the year 2024.

Total liabilities increased by ₱3.29M. The increase was primarily due to the additional loan availed by the company during the year 2024, advances from shareholder and other current liabilities from government agencies for the period.

Payables decreased by ₱5.14M. This decrease was mainly due to payments of retention payable in relation with the Company's construction of hospital building which was completed in the fourth quarter of 2023. This was negated by additional accounts, accrued expenses of unpaid professional fees and interests on loans.

Advances from shareholders increased by ₱36.59M primarily due to additional advances from shareholders for operation expenses.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building and hospital equipment. The increase was mainly due to the additional loan release from shareholders amounting to ₱29.65M which was negated by the payment of loans amounting to ₱90.20M, resulting to a net decrease in loans payable of ₱60.55M in 2024.

The ₱65.3M increase in the total equity is primarily due to the additional share premium and issuance of share capital for the year. This was negated by the negative result of operation from 2024.

## DECEMBER 31, 2023 COMPARED TO DECEMBER 31, 2022

### Changes in Operating Results

|                            | For The Year Ended    |                      | Horizontal Analysis   |              | Vertical Analysis |             |
|----------------------------|-----------------------|----------------------|-----------------------|--------------|-------------------|-------------|
|                            | 31-Dec-2023           | 31-Dec-2022          | Inc (Dec)             | %age         | 31-Dec-2023       | 31-Dec-2022 |
| Revenues                   | ₱ 735,623             | ₱ -                  | ₱ 735,623             | 100%         | 100%              | n/a         |
| Cost of sales and services | (2,776,774)           | -                    | (2,776,774)           | 100%         | -377%             | n/a         |
| Other income               | 412,894               | 9,532                | 403,362               | 4232%        | 56%               | n/a         |
| Operating expenses         | (26,155,555)          | (2,441,029)          | (23,714,526)          | 971%         | -3556%            | n/a         |
| Finance costs              | (3,255,146)           | -                    | (3,255,146)           | 100%         | -443%             | n/a         |
| Income tax benefit         | 7,685,476             | 570,598              | 7,114,878             | 1247%        | 1045%             | n/a         |
| <b>Net loss</b>            | <b>₱ (23,353,482)</b> | <b>₱ (1,860,899)</b> | <b>₱ (21,492,583)</b> | <b>1155%</b> | <b>-3175%</b>     | <b>n/a</b>  |

Revenue generated for the year ended 2023 amounted to ₱.735M. This was due to start of the Company's full operation of the hospital in December 2023

Cost of sales and services for the year ended 2023 amounted to ₱2.78M. This was directly associated with the start of the Company's full operation in December 2023. The major component of the cost of sales and services, employee's compensation and benefits, supplies, depreciation, outside services, utilities, dietary expenses and professional fees.

Other income increased by 4,232%. This is primarily due to increase in interest income, income from cafeteria and miscellaneous income in relation to the operation of the hospital.

Operating expenses during December 31, 2023 are higher compared to December 31, 2022 expenses by 971%. This is primarily due to increase in taxes and licenses, professional fee, salaries and wages insurance, recruitment expenses, outside services, office supplies and all expenses in relation to the full operation of the hospital in December 2023.

Income tax benefit increased by 1,247% was primarily due to higher expenses resulting to higher taxable loss for the year 2023.

Loss for the year ended December 31, 2023 is higher than in 2022 by 1,155% primarily due to the significant increase of expenses as the Company started the full operation of the hospital in December 2023.

## Financial Condition

|                                       | 31-Dec-2023 |                      | 31-Dec-2022 |                    | Horizontal Analysis |                    | Vertical Analysis |             |             |
|---------------------------------------|-------------|----------------------|-------------|--------------------|---------------------|--------------------|-------------------|-------------|-------------|
|                                       |             |                      |             |                    | Inc(Dec)            | %age               | 31-Dec-2023       | 31-Dec-2022 |             |
| <b>ASSETS</b>                         |             |                      |             |                    |                     |                    |                   |             |             |
| <b>Current Assets</b>                 |             |                      |             |                    |                     |                    |                   |             |             |
| Cash                                  | ₱           | 64,287,204           | ₱           | 8,353,411          | ₱                   | 55,933,793         | 670%              | 6%          | 1%          |
| Receivables                           |             | 119,015              |             | -                  |                     | 119,015            | 100%              | 0%          | 0%          |
| Inventories                           |             | 1,626,820            |             | -                  |                     | 1,626,820          | 100%              | 0%          | 0%          |
| Prepayments and other current assets  |             | 335,325              |             | 211,818            |                     | 123,507            | 58%               | 0%          | 0%          |
| <b>Total Current Assets</b>           |             | <b>66,368,364</b>    |             | <b>8,565,229</b>   |                     | <b>57,803,135</b>  | <b>675%</b>       | <b>6%</b>   | <b>1%</b>   |
| <b>Non-current Assets</b>             |             |                      |             |                    |                     |                    |                   |             |             |
| Advances to contractors and suppliers |             | 18,031,152           |             | 23,272,650         |                     | (5,241,498)        | -23%              | 2%          | 3%          |
| Property and equipment - net          |             | 1,038,855,991        |             | 742,568,722        |                     | 296,287,269        | 40%               | 92%         | 96%         |
| Financial Asset at FVOCI              |             | 3,850                |             | 3,250              |                     | 600                | 18%               | 0%          | 0%          |
| Refundable deposit                    |             | 2,443,611            |             | -                  |                     | 2,443,611          | 100%              | 0%          | 0%          |
| Deferred tax asset                    |             | 8,794,645            |             | 1,109,169          |                     | 7,685,476          | 693%              | 1%          | 0%          |
| <b>Total Non-Current Assets</b>       |             | <b>1,068,129,249</b> |             | <b>766,953,791</b> |                     | <b>301,175,458</b> | <b>39%</b>        | <b>94%</b>  | <b>99%</b>  |
| <b>Total Assets</b>                   | <b>₱</b>    | <b>1,134,497,613</b> | <b>₱</b>    | <b>775,519,020</b> | <b>₱</b>            | <b>358,978,593</b> | <b>46%</b>        | <b>100%</b> | <b>100%</b> |
| <b>LIABILITIES AND EQUITY</b>         |             |                      |             |                    |                     |                    |                   |             |             |
| <b>Current Liabilities</b>            |             |                      |             |                    |                     |                    |                   |             |             |
| Payables                              | ₱           | 119,778,297          | ₱           | 42,788,450         | ₱                   | 76,989,847         | 180%              | 11%         | 6%          |
| Advances from shareholders            |             | -                    |             | 68,332,876         |                     | (68,332,876)       | -100%             | 0%          | 9%          |
| Loans payable - current               |             | 112,000,000          |             | 52,800,000         |                     | 59,200,000         | 112%              | 10%         | 7%          |
| Other current liabilities             |             | 541,631              |             | 366,527            |                     | 175,104            | 48%               | 0%          | 0%          |
| <b>Total Current Liabilities</b>      |             | <b>232,319,928</b>   |             | <b>164,287,853</b> |                     | <b>68,032,075</b>  | <b>41%</b>        | <b>20%</b>  | <b>21%</b>  |
| <b>Non-Current Liabilities</b>        |             |                      |             |                    |                     |                    |                   |             |             |
| Loans payable - non current           |             | 600,000,000          |             | 427,500,000        |                     | 172,500,000        | 40%               | 53%         | 55%         |
| <b>Total Liabilities</b>              |             | <b>832,319,928</b>   |             | <b>591,787,853</b> |                     | <b>240,532,075</b> | <b>41%</b>        | <b>73%</b>  | <b>76%</b>  |
| <b>Equity</b>                         |             |                      |             |                    |                     |                    |                   |             |             |
| Share capital                         |             | 142,120,000          |             | 135,860,000        |                     | 6,260,000          | 5%                | 13%         | 18%         |
| Share premium                         |             | 188,348,580          |             | 62,808,580         |                     | 125,540,000        | 200%              | 17%         | 8%          |
| Deposit for future stock subscription |             | 10,000,000           |             | -                  |                     | 10,000,000         | 100%              | 1%          | 0%          |
| Accumulated deficit                   |             | (38,290,895)         |             | (14,937,413)       |                     | (23,353,482)       | 156%              | -3%         | -2%         |
| <b>Equity, Net</b>                    |             | <b>302,177,685</b>   |             | <b>183,731,167</b> |                     | <b>118,446,518</b> | <b>64%</b>        | <b>100%</b> | <b>100%</b> |
| <b>Total Liabilities and Equity</b>   | <b>₱</b>    | <b>1,134,497,613</b> | <b>₱</b>    | <b>775,519,020</b> | <b>₱</b>            | <b>358,978,593</b> | <b>46%</b>        | <b>100%</b> | <b>100%</b> |

Total assets increased from ₱775.5M to ₱1,134.5M, a 46% increase from December 31, 2022. The increase was due to the significant increase in cash, receivables, inventories, prepayments and other current assets property and equipment, financial asset at FVOCI, refundable deposits and deferred tax asset, negated by the significant decrease in advances to contractors and suppliers.

Cash increased by ₱55.9M or 670% primarily due to additional loan release from DBP, proceeds from issuance of shares and receipts from commencement of full operation of the hospital in December 2023. This was partly negated by the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures and the operating expenses for the period.

Receivables increased by ₱119,015 primarily due to employee's additional reimbursement of sickness benefit and advances for training.

The increase in inventories pertains mainly to purchases of medicine and medical supplies.

Increase in prepayments and other current assets by ₱.123M was primarily due to the decreased in prepaid insurance and prepaid withholding tax on compensation, though there was an additional VAT input.

Advances to contractors and suppliers decreased by ₱5.2M was primarily due to reclassification of the down payments related to the medical equipment, office equipment and furniture and other hospital equipment.

Property and equipment increased by ₱296.3M primarily due to the additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In December 2023, the Company launched the full opening and full commercial operations of its hospital building and facilities, hence Construction-in-progress was reclassified to Hospital Building Account by ₱816.74M.

Financial asset at FVOCI increase by ₱600. This was due to the rebates earned for the year 2023.

Refundable deposit increased by ₱2.44M primarily due to additional deposits in utility and deposits paid for oxygen tanks.

Deferred tax asset increased by ₱7.69M due to the tax effect of losses incurred by the Company for the year 2023.

Total liabilities increased by ₱240.5M. The increase was primarily due to the additional loan availed by the company during the year 2023, payables in relations to the construction of the hospital building and other current liabilities from government agencies in the commencement of hospital full operation in December 2023 and these were negated by additional payment to advances from shareholders.

Payables increased by ₱76.99M. This increase was mainly due to the additional accounts and retention payable in relation with the Company's construction of hospital building which was completed in the fourth quarter of 2023. This was negated by accrued expenses of unpaid professional fees and interests on loans.

Advances from shareholders was fully paid in 2023.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building and hospital equipment. The increase was mainly due to the additional loan release from Development Bank of the Philippines and shareholders amounting to ₱234.2M which was negated by the payment of loans payable to related party amounting to ₱2.5M, resulting to a net increase in loans payable of ₱231.7M in 2023.

The ₱118.44M increase in the total equity is primarily due to the additional share premium and issuance of share capital for the year. This was negated by the negative result of operation from December 2023.

## DECEMBER 31, 2022 COMPARED TO DECEMBER 31, 2021

### Changes in Operating Results

|                                     | For the years ended  |                      | Horizontal Analysis |               | Vertical Analysis |            |
|-------------------------------------|----------------------|----------------------|---------------------|---------------|-------------------|------------|
|                                     | 31-Dec-22            | 31-Dec-21            | Inc (Dec)           | %age          | 31-Dec-22         | 31-Dec-21  |
| Interest Income                     | ₱ 8,882              | ₱ 44,992             | ₱ (36,110)          | -80.26%       | n/a               | n/a        |
| Rebates Income                      | 650                  | 550                  | 100                 | 18.18%        | n/a               | n/a        |
| General and Administrative Expenses | (2,441,029)          | (1,225,073)          | 1,215,956           | 99.26%        | n/a               | n/a        |
| Income tax benefit (expense)        | 570,598              | 168,853              | 401,745             | 237.93%       | n/a               | n/a        |
| <b>Net loss</b>                     | <b>₱ (1,860,899)</b> | <b>₱ (1,010,678)</b> | <b>₱ 850,221</b>    | <b>84.12%</b> | <b>n/a</b>        | <b>n/a</b> |

Interest income during December 31, 2022 is lower than December 31, 2021 by 80.26%. This was due to the decrease in average daily balance in cash in banks brought by increase in expenditures in connection with the construction of the hospital building.

Rebates income for the year 2022 is higher than year 2021 by 18.18%.

Expenses during December 31, 2022 are higher compared to December 31, 2021 expenses by 99.26%. This is primarily due to increase in taxes and licenses, professional fee, salaries and wages and office supplies, these were negated by the decrease of representation expense, advertising and promotions and miscellaneous expense.

Income tax benefit increased by 237.93% was primarily due to higher expenses resulting to higher taxable loss for the year 2022.

Loss for the year ended December 31, 2022 is higher than in 2021 by 84.12%. This was due to higher general and administrative expenses in 2022 as the Company is nearing to the target completion of the construction of its hospital building and due to lifting of restrictions on pandemic (Covid 19).

### Financial Condition

|                                      | December 31, 2022    | December 31, 2021<br>(As Restated) | Horizontal Analysis<br>Inc(Dec) | %age        | Vertical Analysis<br>December 31, 2022 | December 31, 2021 |
|--------------------------------------|----------------------|------------------------------------|---------------------------------|-------------|--|-------------------|
| <b>ASSETS</b>                        |                      |                                    |                                 |             |  |                   |
| <b>Current Assets</b>                |                      |                                    |                                 |             |  |                   |
| Cash                                 | ₱ 8,353,411          | ₱ 9,981,607                        | ₱ (1,628,196)                   | -16%        | 1%                                     | 2%                |
| Receivables                          | -                    | 47,250                             | (47,250)                        | -100%       | 0%                                     | 0%                |
| Prepayments and other current assets | 211,818              | 656,334                            | (444,516)                       | -68%        | 0%                                     | 0%                |
| <b>Total Current Assets</b>          | <b>8,565,229</b>     | <b>10,685,191</b>                  | <b>(2,119,962)</b>              | <b>-20%</b> | <b>1%</b>                              | <b>2%</b>         |
| <b>Non-current Assets</b>            |                      |                                    |                                 |             |  |                   |
| Advances to contractors              | 23,272,650           | 17,889,963                         | 5,382,687                       | 30%         | 3%                                     | 4%                |
| Property and equipment - net         | 742,568,722          | 480,197,838                        | 262,370,884                     | 55%         | 96%                                    | 94%               |
| Financial Asset at FVOCI             | 3,250                | 2,600                              | 650                             | 25%         | 0%                                     | 0%                |
| Land deposits                        | -                    | -                                  | -                               | 0%          | 0%                                     | 0%                |
| Deferred tax asset                   | 1,109,169            | 538,571                            | 570,598                         | 106%        | 0%                                     | 0%                |
| <b>Total Non-Current Assets</b>      | <b>766,953,791</b>   | <b>498,628,972</b>                 | <b>268,324,819</b>              | <b>54%</b>  | <b>99%</b>                             | <b>98%</b>        |
| <b>Total Assets</b>                  | <b>₱ 775,519,020</b> | <b>₱ 509,314,163</b>               | <b>₱ 266,204,857</b>            | <b>52%</b>  | <b>100%</b>                            | <b>100%</b>       |
| <b>LIABILITIES AND EQUITY</b>        |                      |                                    |                                 |             |  |                   |
| <b>Current Liabilities</b>           |                      |                                    |                                 |             |  |                   |
| Payables                             | ₱ 43,154,977         | ₱ 53,825,319                       | ₱ (10,670,342)                  | -20%        | 6%                                     | 11%               |
| Advances from shareholders           | 68,332,876           | 27,490,000                         | 40,842,876                      | 149%        | 9%                                     | 5%                |
| Loans payable - current              | 52,800,000           | 5,100,000                          | 47,700,000                      | 935%        | 7%                                     | 1%                |
| <b>Total Current Liabilities</b>     | <b>164,287,853</b>   | <b>86,415,319</b>                  | <b>77,872,534</b>               | <b>90%</b>  | <b>21%</b>                             | <b>17%</b>        |
| <b>Non-Current Liabilities</b>       |                      |                                    |                                 |             |  |                   |
| Loans payable                        | 427,500,000          | 325,000,000                        | 102,500,000                     | 32%         | 55%                                    | 64%               |
| <b>Total Liabilities</b>             | <b>591,787,853</b>   | <b>411,415,319</b>                 | <b>180,372,534</b>              | <b>44%</b>  | <b>76%</b>                             | <b>81%</b>        |
| <b>Equity</b>                        |                      |                                    |                                 |             |  |                   |
| Share capital                        | 135,860,000          | 110,975,358                        | 24,884,642                      | 22%         | 18%                                    | 22%               |
| Share premium                        | 62,808,580           | -                                  | 62,808,580                      | 100%        | 8%                                     | 0%                |
| Accumulated deficit                  | (14,937,413)         | (13,076,514)                       | (1,860,899)                     | 14%         | -2%                                    | -3%               |
| <b>Equity, Net</b>                   | <b>183,731,167</b>   | <b>97,898,844</b>                  | <b>85,832,323</b>               | <b>88%</b>  | <b>24%</b>                             | <b>19%</b>        |
| <b>Total Liabilities and Equity</b>  | <b>₱ 775,519,020</b> | <b>₱ 509,314,163</b>               | <b>₱ 266,204,857</b>            | <b>52%</b>  | <b>100%</b>                            | <b>100%</b>       |

Total assets increased from ₱509.3M to ₱775.5M, a 52.27% increase from December 31, 2021. The increase was due to the significant increase in advances to contractors, property and equipment, financial asset at FVOCI and deferred tax asset, negated by the significant decrease in cash, receivables and prepayments and other current assets.

Cash decreased by ₱1.6M or 16.31%. Though there was an additional loan release and obtained in 2022, additional advances from shareholders and proceeds from issuance of shares, this was consumed by the expenditures in relation to the construction of the hospital building, advance payment to contractors, additional payment for land and the pre-operating expenses for the year.

Receivables decreased by ₱47,250 was brought about by the collection of employee's reimbursement of maternity benefit.

The decrease in prepayments and other current assets by ₱.444M was primarily due to the decreased in prepaid insurance and prepaid withholding taxes.

Advances to contractors increased by ₱5.3M was primarily due to additional advance payments to contractors in 2022.

Property and equipment increased by ₱262.3M primarily due to the ongoing construction of the hospital building.

Financial asset at FVOCI increase by ₱650. This was due to the rebates earned for the year 2022.

Deferred tax asset increased by ₱.570M due to the tax effect of losses incurred by the Company for the year 2022.

Total liabilities increased by ₱180.3M. The increase was primarily due to the additional loan availed by the company during the year 2022, additional advances from shareholders and these were negated by payables in relation to the ongoing construction of the hospital building.

Payables decreased by ₱10.67M. This decrease was mainly due to the significant decrease in the accounts payable in relation with the Company's construction of hospital building as of December 31, 2022.

Advances from shareholders increased by ₱40.8M due to additional advances availed in 2022.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building. This increased by ₱150.2M in 2022. As of December 31, 2022, the Company is not compliance with the bank required ratios. However, based on the discussion with the credit committee of the Bank, it was decided that the Company will be given one year from start of commercial operation to comply with required ratios.

The ₱85.8M increase in the total equity is primarily due to the additional share premium and issuance of share capital for the year. The Company is still non-operational and most of the expenses incurred relates to planning and mobilization expenses.

*Material Changes in Financial Condition*

| <b><i>From January 1, 2024 to<br/>December 31, 2024</i></b>  | <b><i>From January 1, 2023 to<br/>December 31, 2023</i></b>   | <b><i>From January 1, 2022 to<br/>December 31, 2022</i></b>   |
|--|---|---|
| <b>a. Cash decreased by ₱56.4M or 88%</b><br>This is primarily due to additional acquisition of equipment and furniture and fixtures and operational expenses. | <b>a. Cash increased by ₱55.9M</b><br>This is primarily due to additional loan release from DBP, proceeds from issuance of shares and receipts from | <b>a. Cash decreased by ₱1.6M</b><br>Though there was an additional loan release and obtained in 2022, additional advances from |

|   |   |  |
|---|---|--|
| <p>This was partly negated by the proceeds from issuance of shares and receipts from commencement of full operation of the hospital in 2024.</p>  | <p>commencement of full operation of the hospital in December 2023. This was partly negated by the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures and the operating expenses for the period.</p>  | <p>shareholders and proceeds from issuance of shares, this was consumed by the expenditures in relation to the construction of the hospital building, advance payment to contractors, additional payment for land and the pre-operating expenses for the year.</p> |
| <p><b>b. Receivables increased by ₱62.28M</b><br/>Due to employee's additional reimbursement of sickness benefit and receipts from commencement of full operation of the hospital in 2024.</p>  | <p><b>b. Receivables increased by ₱.119M</b><br/>Due to employee's additional reimbursement of sickness benefit and advances for training.</p>  | <p><b>b. Receivables decreased by ₱.047M</b><br/>The decrease was brought about by the collection of employee's reimbursement of maternity benefit.</p>  |
| <p><b>c. Inventories increased by ₱18.07M</b><br/>Due to additional purchases of hospital, dietary and office supplies due to full operation of the hospital in 2024.</p>   | <p><b>c. Inventories increase by ₱1.62M</b><br/>Due to purchases of medicine and medical supplies in the commencement of operation in December 2023.</p>  |  |
| <p><b>d. Prepayments and other current assets increased by ₱3.93M</b><br/><br/>was primarily due to additional VAT input and prepaid income tax and this was negated by prepaid insurance and prepaid withholding tax on compensation.</p>  | <p><b>d. Prepayments and other current assets increased by ₱.123M</b><br/><br/>primarily due to additional VAT input and this was negated by prepaid insurance and prepaid withholding tax on compensation.</p>   | <p><b>d. Prepayments and other current assets increased by ₱.444M</b><br/><br/>primarily due to the decreased in the advance payments made to contractors and prepaid insurance.</p>   |
| <p><b>e. Advances to contractors and suppliers was decreased by ₱2.83M</b><br/>Due reclassification of the down payments related to the medical equipment, office equipment and furniture and other hospital equipment.</p>   | <p><b>e. Advances to contractors and suppliers was decreased by ₱5.2M</b><br/>Due to reclassification of the down payments related to the medical equipment, office equipment and furniture and other hospital equipment.</p>   | <p><b>e. Advances to contractors increased by ₱5.3M</b><br/><br/>was primarily due to additional advance payments to contractors in 2022.</p>  |
| <p><b>f. Property and equipment increased by ₱38K</b><br/>primarily due to the additional acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period.</p> | <p><b>f. Property and equipment increased by ₱296.3M</b><br/>primarily due to the additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In December 2023, the Company launched the full opening and full commercial operations of its hospital building and facilities, hence Construction-in-progress was</p> | <p><b>f. Property and equipment increased by ₱262.3M</b><br/>primarily due to the ongoing construction of the hospital building</p>  |

|   |   |   |
|---|---|---|
|   | reclassified to Hospital Building Account by ₱816.74M.  |   |
| <b>g. Intangible assets increased by ₱1.01M</b><br>Due to use of hospital information system and this was negated by amortization for the period.   |   |   |
| <b>h. Financial Asset at FVOCI increased by ₱650</b><br>Due to rebates earned in 2024.  | <b>h. Financial Asset at FVOCI increased by ₱600</b><br>Due to rebates earned in 2023.  | <b>h. Financial Asset at FVOCI increased by ₱650</b><br>Due to rebates earned in 2022.  |
| <b>i. Refundable deposit increased by ₱210K</b><br>Due to additional deposits in deposits paid for oxygen tanks.  | <b>i. Refundable deposits increased by ₱2.44M</b><br>Due to additional deposits to utility and deposits paid for the oxygen tanks.  | <b>i. Refundable deposits increased by ₱2.44M</b><br>Due to additional deposits to utility and deposits paid for the oxygen tanks.  |
| <b>j. Deferred tax asset increased by ₱11.02M</b><br>due to the tax effect of losses incurred by the Company for the year 2024.   | <b>j. Deferred tax asset increased by ₱7.69M</b><br>due to the tax effect of losses incurred by the Company for the year 2023.  | <b>j. Deferred tax asset increased by ₱7.69M</b><br>due to the tax effect of losses incurred by the Company for the year 2023.  |
| <b>k. Payables decreased by ₱5.14M</b><br><br>This decrease was mainly due to payments of retention payable in relation with the Company's construction of hospital building which was completed in the fourth quarter of 2023. This was negated by additional accounts, accrued expenses of unpaid professional fees and interests on loans. | <b>k. Payables increased by ₱76.99M</b><br><br>This increase was mainly due to the additional accounts and retention payable in relation with the Company's construction of hospital building which was completed in the fourth quarter of 2023. This was negated by accrued expenses of unpaid professional fees and interests on loans. | <b>k. Payables decreased by ₱10.67M</b><br><br>This increase was mainly due to the significant increase in the accounts payable in relation with the Company's construction of hospital building as of December 31, 2022. |
| <b>l. Loans payable net increased by ₱60.55M</b><br>The increase was mainly due to the additional loan release from shareholders amounting to ₱29.65M which was negated by the payment of loans payable to bank and related party amounting to ₱90.20M  | <b>l. Loans payable net increased by ₱231.7M</b><br>The increase was mainly due to the additional loan release from Development Bank of the Philippines and shareholders amounting to ₱234.2M which was negated by the payment of loans payable to related party amounting to ₱2.5M   | <b>l. Loans payable increased by ₱150.3M</b><br>due to additional loans availed in 2022   |

|  |  |   |
|--|--|---|
| <p><b>m. Advances from shareholders increased by ₱36.59M</b><br/>Primarily due to additional advances from shareholders for operation expenses.</p>  | <p><b>m. Advances from shareholders decreased by ₱68.3M</b><br/>This was fully paid in 2023.</p>   | <p><b>m. Advances from shareholders increased by ₱40.8M</b><br/>due to additional advances availed in 2022.</p> |
| <p><b>n. Equity increased by ₱65.3M</b><br/>primarily due to the additional share premium and issuance of share capital for the year. This was negated by the negative result of operation from 2024</p> | <p><b>n. Equity increased by ₱118.44M</b><br/>primarily due to the additional share premium and issuance of share capital for the year. This was negated by the negative result of operation from December 2023.</p> | <p><b>n. Equity decreased by ₱85.8M</b><br/>primarily due to the negative result of operation for the year.</p> |

*Material Changes in Operating Results*

| 2024 vs. 2023   | 2023 vs. 2022   | 2022 vs. 2021  |
|---|---|--|
| <p><b>a. Revenue increased by 24,781%</b><br/>This was due to start of the Company's full operation of the hospital 2024.</p>   | <p><b>a. Revenue increased by 100%</b><br/>This was due to start of the Company's full operation of the hospital in December 2023.</p>  |  |
| <p><b>b. Cost of sales and services increased by 5,099%</b><br/>This was directly associated with the start of the Company's full operation in 2024. The major component of the cost of sales and services are employee's compensation and benefits, supplies, depreciation, outside services, utilities, dietary expenses and professional fees.</p> | <p><b>b. Cost of sales and services increased by 100%</b><br/>This was directly associated with the start of the Company's full operation in December 2023. The major component of the cost of sales and services, employee's compensation and benefits, supplies, depreciation, outside services, utilities, dietary expenses and professional fees.</p> |  |
| <p><b>c. Other income increased by 772%</b><br/>This is primarily due to increase in interest income, income from cafeteria and miscellaneous income in relation to the operation of the hospital.</p>  | <p><b>c. Other income increased by 4,232%</b><br/>This is primarily due to increase in interest income, income from cafeteria and miscellaneous income in relation to the operation of the hospital.</p>  | <p><b>c. Interest income decreased by 80.26%</b><br/>was due to lower average balance in the cash in bank in 2022</p>  |
|   |   | <p><b>d. Rebates income increased by 18.18%</b><br/>was due to higher rebates received from VITRUWASCO.</p>  |
| <p><b>e. Operating expenses increased by 47%</b><br/>This is primarily due to increase in taxes and licenses, transportation, professional fee, salaries and wages insurance, recruitment expenses, outside services, office supplies and all expenses in</p>   | <p><b>e. Operating expenses increased by 971%</b><br/>This is primarily due to increase in taxes and licenses, professional fee, salaries and wages insurance, recruitment expenses, outside services, office supplies and all expenses in relation to the full</p>   | <p><b>e. Expenses increased by 99.26%</b><br/>Though there's an increase in taxes and licenses, professional fee, salaries and wages, office supplies, , these were negated by the decrease of representation expense, advertising and</p> |

|  |   |   |
|--|---|---|
| relation to the full operation of the hospital.  | operation of the hospital in December 2023.   | promotions and miscellaneous expense.   |
| <b>f. Income tax benefit increased by 43%</b> due to higher expenses resulting to higher taxable loss for the year 2024.   | <b>f. Income tax benefit increased by 1,247%</b> due to higher expenses resulting to higher taxable loss for the year 2023.   | <b>f. Income tax benefit increased by 237.93%</b> due to higher expenses resulting to higher taxable loss for the year 2022.  |
| <b>g. Loss for the year increased by 79%</b> primarily due to the significant increase of expenses as the Company started the full operation of the hospital 2024. | <b>g. Loss for the year increased by 1,155%</b> Primarily due to the significant increase of expenses as the Company started the full operation of the hospital in December 2023. | <b>g. Loss for the year increased by 84.12%</b> This was due to higher general and administrative expenses in 2022 due to lifting of restrictions on pandemic (Covid 19). |

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

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

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

The Company continues to spend for capital expenditures in relation to the construction of the hospital building and acquisition of hospital equipment, office equipment /furniture and fixtures and transportation equipment. These are funded by the proceeds from the offer and bank loans.

The Company started the full operation of the hospital in December 2023.

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

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

#### *Financial Risks*

1. Interest Rate Risk – The Company’s interest rate risk is limited to its cash in banks and loans payable.
1. Credit Risk – The Company’s credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD.
2. Liquidity Risk – As part of the Company’s overall liquidity management, the Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there’s any.

The Company has no investments in foreign securities.

### 3. Certain Relationships and Related Transactions

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

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

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

31-Mar-2025 (Unaudited)

| Nature of Relationship | Nature of Transaction     | Amount (current transaction) | Outstanding balance | Terms   | Conditions |
|------------------------|---------------------------|------------------------------|---------------------|---|------------|
| Shareholders           | Advances from             |                              |                     | Non-interest bearing; payable in cash; no scheduled repayment terms |            |
|                        | Additional                | ₱ 3,885,618                  | ₱ 40,468,936        |   | Unsecured  |
|                        | Loans                     |                              |                     | Interest bearing; payable in cash; no scheduled repayment terms     |            |
|                        | Additional loan Payments  | ₱ -                          | ₱ 15,650,000        |   | Unsecured  |
|                        | Interest expense Payments | ₱ 2,161,233                  | ₱ 2,161,233         | Payable in cash and on demand                                       | Unsecured  |

Aside from the party mentioned above, there is no other relationship that has existing negotiations on material transactions.

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

### 4. Management and Certain Security Holders

#### (1) Directors

There are fifteen (15) members of the Board, three (3) of whom are independent directors. Please refer to pages 14-17 for the list of incumbent directors/officers.

Except for the following, there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the Company to become directors, or executive officers, any security holder of certain record, beneficial owner or management.



The directors and officers of the Corporation have attended a Corporate Governance Seminar on August 11, 2023, through webinar conducted by Center for Global Best Practices, a training provider accredited by the Securities and Exchange Commission (SEC).

The Independent Directors have submitted their Certificates of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code. Please see attached Annex "E".

**ANNEX “C”**

**Top 20 Stockholders  
Tagum Global Medical Center, Inc.  
As of March 31, 2025**

| <b>Name of Stockholders</b>    | <b>Nationality</b> | <b>No. of Shares</b> | <b>Percentage of Ownership</b> |
|--------------------------------|--------------------|----------------------|--------------------------------|
| Carlos, Fernando P.            | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Enriquez, Amado Manuel, Jr. C. | Filipino           | F 90                 | 14.68%                         |
|                                |                    | C 30,510             |                                |
| Enriquez, Michael Edward R.    | Filipino           | F 30                 | 4.89%                          |
|                                |                    | C 10,170             |                                |
| Enriquez, Miguel Antonio R.    | Filipino           | F 30                 | 4.89%                          |
|                                |                    | C 10,170             |                                |
| Viernes, La Rhaine G.          | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Dalisay, Mae T.                | Filipino           | F 20                 | 3.333%                         |
|                                |                    | C 6,780              |                                |
| Carlos, Fernando P.            | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Cerna-Lopez, Geanie            | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Cu, Dorothy Mildred S.         | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Del Fierro, Jose Emmanuel S.   | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Demegillo, Kenny Jun N.        | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Guillano, Franklin B.          | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Jaya, Maria Pilipinas D.       | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Juarez, Mariebeth P.           | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Nuevas, Nimfa L.               | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Orillaza, Generoso M.          | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Perdido, Evelyn Ross H.        | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Samoro, Fredilyn G.            | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Samoy, Marietta T.             | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Valencia, Orlando A.           | Filipino           | F 10                 | 1.63%                          |
|                                |                    | C 3,390              |                                |
| Others                         |                    | F 270                | 46.18%                         |
|                                |                    | C 95,990             |                                |
| <b>Total</b>                   |                    | <b>F 600</b>         | <b>100%</b>                    |
|                                |                    | <b>C 207,860</b>     |                                |

**ANNEX “D”**

Attendance of Stockholders  
During the 6th Annual Stockholders' Meeting  
June 2, 2024

|    | <b>Name</b>                   | <b>Position</b>                    | <b>No of Shares</b> |
|----|-------------------------------|------------------------------------|---------------------|
| 1  | Apolinario, Lou Josephine M.  |                                    | 2000                |
| 2  | Badilla, Edelyn A.            |                                    | 2000                |
| 3  | Besas, Francis P.             |                                    | 2000                |
| 4  | Carlos, Fernando P.           |                                    | 2000                |
| 5  | Cerna, Geanie L.              | Director                           | 2000                |
| 6  | Cu, Dorothy Mildred S.        |                                    | 2000                |
| 7  | Dalisay, Mae T.               | Director/Vice-President            | 4000                |
| 8  | Demegillo, Kenny Jun N.       |                                    | 2000                |
| 9  | Del Fierro, Jose Emmanuel S.  |                                    | 2000                |
| 10 | Enriquez, Amado Manuel C, Jr. | Director/Chairman                  | 18000               |
| 11 | Enriquez, Marilyn R.          |                                    | 2000                |
| 12 | Enriquez, Michael Edward R.   | Director                           | 6000                |
| 13 | Enriquez, Miguel Antonio R.   |                                    | 6000                |
| 14 | Esparagoza, Calixto S.        | Independent Director               | 2000                |
| 15 | Esparagoza, Janice G.         |                                    | 2000                |
| 16 | Espino, Victor D.             |                                    | 2000                |
| 17 | Guillano Franklin B.          | Director/Asst. Corporate Secretary | 2000                |
| 18 | Guillano, Victoria P.         |                                    | 2000                |
| 19 | Geralde, Jonah Suzette A.     |                                    | 2000                |
| 20 | Juarez, Mariebeth P.          | Director/Corporate Secretary       | 2000                |
| 21 | Leonardia, Cesar P.           |                                    | 2000                |
| 22 | Llanos, Aryeel D.C.           |                                    | 2000                |
| 23 | Llanos, Cleofe C.             |                                    | 2000                |
| 24 | Maranan, Renato A.            |                                    | 2000                |
| 26 | Mendoza, Maria Bernarda D.J.  |                                    | 2000                |
| 27 | Merin, Fe G.                  |                                    | 2000                |
| 28 | Narvaza, Jo Ann M.            |                                    | 2000                |
| 29 | Nuevas, Nimfa L.              |                                    | 2000                |
| 30 | Orillaza, Generoso, D.M.      | Director                           | 4000                |
| 31 | Padilla, John Patrick C.      |                                    | 2000                |
| 32 | Perdido, Evelyn Ross H.       | Director/Treasurer                 | 2000                |
| 33 | Pono, Glenn A.                |                                    | 2000                |
| 34 | Quilisadio, John Elmer C.     | Independent Director               | 2000                |
| 35 | Samoro, Fredilyn C.           |                                    | 2000                |
| 36 | Samoy, Marietta C.            | Director/Asst. Treasurer           | 2000                |
| 37 | Santo, Audrey Katherina A.    |                                    | 2000                |
| 38 | Sasing, Russel G.             |                                    | 2000                |
| 39 | Ugdang, Emilie D.             |                                    | 2000                |
| 40 | Valencia, Orlando A.          | Independent Director               | 2000                |
| 41 | Viernes, Earl Courtney A.     |                                    | 2000                |
| 42 | Viernes, La Rhaine G.         | Director/President                 | 2000                |