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Asia Pacific Medical Center - Iloilo, Inc. (formerly: Allied Care Experts (ACE) Medical Center-Iloilo Inc)._17 A_May 16, 2022

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

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For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

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For your information and guidance.

Thank you and keep safe.

COVER SHEET

C	S	2	0	1	4	2	3	9	5	4

S.E.C. Registration Number

ASIA PACIFIC MEDICAL CENTER -
ILOILO, INC. (FORMERLY: ALLIED
ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER - ILOILO, INC.)

(Company's Full Name)

BRGY., UNGKA JARO, ILOILO,
ILOILO CITY 5000

(Business address: No. Street City / Town / Province)

MAYLENE B. VILLAUEVA	(033) 321-57-48/320-22-32
Contact Person	Company Telephone Number

1 2	3 1	17-A	0 4	3rd Sat
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

REGISTERED ISSUER

Secondary License Type, If Applicable

	N/A
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

Top be accomplished by SEC Personnel concerned

LCU

CASHIER

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended .... 31 December 2021

2. SEC Identification Number CS201423954 3. BIR Tax Identification No. 008-922-703

4. Exact name of issuer as specified in its charter:
ASIA PACIFIC MEDICAL CENTER – ILOILO INC. (FORMERLY KNOWN AS ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ILOILO INC.)

5. Iloilo City, Philippines
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. Brgy. Ungka, Jaro, Iloilo City — 5000
Address of principal office — Postal Code

8. (033) 3215748
Issuer's telephone number, including area code

9. Allied Care Experts (ACE) Medical Center – Iloilo, Inc., Iloilo Medical Society Bldg. Brgy. Bantud, Luna Street, Lapaz, Iloilo City.
Former name, former address, and former fiscal year, if changed since last report.

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

8 of the RSATitle of Each Class " — Number of Shares of

Common Stock — Outstanding and Amount of Debt Outstanding

Founder 600
Common 234,460

The total outstanding debt of the company as of **December 31, 2021 is P1,080,406,272**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No [ ]

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

Yes [/] No [ ]

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

As of 31 December 2021.PhP 235.060 shares
Last Price PhP 400,000.00
Aggregate PhP 94,024,000,000

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

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

Yes [ ] No [ ] [/] NOT APPLICABLE

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

    a) Audited Financial Statements as of and for the year ended December 31, 2021 (incorporated as reference for Items 7 and 12 of Sec Form 17- A)

PART 1- BUSINESS AND GENERAL INFORMATION

Business Development

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -lloilo Inc.) (hereinafter "APMCI" or The Company) is a domestic corporation duly organized under the existing laws of the Republic of the Philippines and granted corporate existence by the. Securities and Exchange Commission on 10 December 2014.

APMCI 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. 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.

To support the construction of its first project, Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -lloilo Inc.) applied for a secondary license for the issuance of securities. SEC issued its Permit to Offer Securities on 27 December thru SEC MSRD Order No. 37Series of 2018.

As of 31 December 2021, the total percentage of completion of the construction of the multi-disciplinary hospital being constructed by Company is at **97.36%.**

Anticipated Business

It is the mission of Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Iloilo Inc.) to set 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 most efficient medical services to its clients and stakeholders.

Initially, APMCI upon construction will operate as a Secondary Hospital. After which, it will secure accreditation for residency training of its Doctors and accomplish its purpose of setting up a Tertiary Hospital. It will operate a complete and world-class facility, manned by medical specialists who are competent and fully qualified in their line of work, and have equally efficient well motivated employeesand management staff.

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Iloilo Inc.) will be a 9-storey 200-bed capacity hospital with helipad and perimeter and basement parking that can accommodate 6 Mini buses, 5 ambulance, 84 cars and 11 motorcycles with total floor area of 28,550.50 sq. meters constructed in a 6,000 sq.m. property located at Barangay Ungka, Jaro, Iloilo City. It will provide services to residents of Jaro, Iloilo City, nearby Barangays and Municipalities, the whole of Iloilo and the neighboring provinces which are considered its catchment areas. APMCI will be a multidisciplinary specialty medical facility that will house medical specialists who are subscribers to the capital stock of the Corporation. The intended and considered markets for its shares are mostly medical specialists and individuals who are related to medical specialists and those intend to invest their money in hospitals.

The act of purchasing the securities being offered does not automatically entitle such purchaser to practice his profession and use the facilities of APMCI, although it is a prerequisite. Physicians and medical specialists who are subscribers to at least one (1) block or ten (10) shares of the capital stock, whether founder or common shares, and have paid in full may be allowed to practice. Such purchasers have to undergo the required screening process and must possess the minimum requirements as indicated in the Articles of Incorporation, By-Laws and Internal Rules of the Hospital. After successfully passing this process, the applicant shall then be entitled to the privileges offered by the Hospital. The privilege to practice in the Hospital is subject to restrictions, limitations, and obligations as may be imposed by APMCI pursuant to its rules and duly approved resolutions. Medical Specialists who have been granted the privilege to practice shall continuously possess the required qualifications and may be subjected to post-qualification assessment to ensure the quality of service provided by the hospital.

APMCI will collect from each duly admitted medical specialist a one-time "privilege to practice" fee amounting to One Hundred Fifty Thousand Pesos (Php150,000.00) plus monthly fees for maintenance and utilities used for the Clinic.

TERTIARY LEVEL 2 HOSPITAL

A Tertiary Hospital is a hospital that provides tertiary care, which is health care from specialists in a large hospital after referral from primary care and secondary care. Tertiary Hospitals offer training programs for doctors who want to go into specialization.

APMCI will be a Tertiary Level 2 Hospital. Under the Rules and Regulations Governing the New Classification of Hospitals and Other Health Facilities in the Philippines (Effective: August 18, 2012), the following are the minimum requirements for Level 2 Hospitals:

A Level 2 Hospital shall have as minimum, all of Level I capacity, including, but not limited to, the following:

1. An organized staff of qualified and competent personnel with Chief of Hospital/Medical Director andappropriate board certified Clinical Department Heads

2.Departmentalized and equipped with the service capabilities needed to support board-certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery; their subspecialties and ancillary services;

3. Provision for general ICU for critically ill patients.

4. Provision for NICU (Neonatal Intensive Care Unit)

5. Provision for HRPU (High Risk Pregnancy Unit)

6. Provision for respiratory therapy services;

7. A DOH licensed tertiary clinical laboratory;

8. A DOH licensed level 2 imaging facility with mobile x-ray inside the institution and with capability forcontrast examinations.

APMCI will be a multidisciplinary specialty medical facility that will house medical specialists who are subscribers to the capital stock of the Corporation.

Competition

The issuer belongs to an industry which caters to the need of the public and medical specialists for hospital facilities. There are no recognized trends within such industry. The geographic area of competition is in lloilo City wherein the following Hospitals are operating:

NAME OF HOSPITAL	ADDRESS	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
AMOSUP (Associated Marine Officers' and Seamen'sHosoital lloilo	Onate St.,Mandurriao, lloilo City	40	Private	2
lloilo Doctor's Hospital	Infante St., Molo, lloilo City	300	Private	3
lloilo Mission Hospital	Mission Road, Jaro, lloilo City	261	Private	3
Medicus Medical Center lloilo	Dr. Rizalina Bernardo Avenue, San Rafael Mandurriao, lloilo City	150	Private	2
Metro lloilo Hospital and Medical Center, Inc	Metropolis Avenue, Brgy.Tagbak, Jaro, lloilo City	110	Private	2
Qualimed Hospital	Donato Pison Avenue, San RafaelMandurriao, lloilo City	100	Private	2
St Paul's Hospital	General Luna St., Brgy. Danao, lloilo City	265	Private	3
The Medical City lloilo	Locsin St., Mola, lloilo City	108	Private	2
West Visayas State University Medical Center	E. Lopez St., Jara, lloilo City	300	Public	3
Western Visayas Medical Center	Q. Abeta St., Mandurriao, lloilo City	400	Public	3
Holy Mary Women & Children's Hospital	Felix Gorriceta Avenue, Brgy.Balabag , Pavia, lloilo	60	Private	2

The strategic location of APMCI primarily influences the decision of the medical specialists to subscribe to the shares of stock in APMCI. Once the Doctor decides where to practice, price and quality of facility management come as the next factors. Good location, proximity to patients, reasonableness of the offer price and quality of the facilities enable APMCI to effectively compete with its competitors within the area.

APMCI is primarily owned and managed by doctor specialists who have established medical practice in the locality. This unique set up is a strong strategic factor of the hospital since each doctor-owner has established patient following in their respective fields. Furthermore, the roster of local medical practitioners who have signified their commitment to the hospital is very significant. APMCI places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Women's Health Center, Male and Female Fertility Center, Health and Aesthetic Centre, Regenerative Medicine and among other services, the hospital is preparing to build a Cardiac Cath laboratory and Rehabilitation Center, an Eye Center and Oncology Center.

The hospital is currently working on an international accreditation with an ISO-International Organization for Standardization which is a worldwide federation of national standard bodies and Joint Commission International, standards of which properly define the performance, expectations, structures and functions of a hospital which seeks accreditation. Its major thrust is on the delivery of quality healthcare and patient safety.

The hospital will also offer both preventive and medical treatment packages at a very competitive cost, if not lesser than the nearby hospital facilities, without compromising the quality of healthcare service itdelivers to its patients. The hospital will also make sure that by following the policies of the Credentials and Privileging Committee, the medical staffs of APMC lloilo are clinically competent and certified specialists.

Aside from these, patients will find a better ambiance with APMCI due to its carefully planned, designed, constructed hospital building. Its advantage is not simply its newly built structure but it also boasts of new facilities and equipment, plus the competency of its Medical Specialists.

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -lloilo Inc.) will be a one-stop-shop with its latest technology complete laboratory andimaging facilities such as:

- MRI
- CT Scan
- Mammogram
- Echocardiography
- Bone Densitometry
- Liver elastometry·

Specialized services such as the following will also be provided:

- Cardiac Catheter Laboratory
- Renal and Urology Center
- Endoscopy Center
- Oncology Center and Transfusion Unit
- Eye Center
- Nutrition and Dietetics
- Blood Bank and Apheresis Center
- Neurolaboratory

- Operating room and minimally invasive Surgery
- Physical & Occupational Therapy and Rehabilitation Facilities Sleep Center
- Metabolic Wellness and Aesthetic Center
- High Risk Pregnancy and Infertility
- Human Milk Bank and Lactation Center
- Research Center

Suppliers and Major Contractors

The main contractor of the hospital is Dakay Construction and Development Corporation which is based in Cebu City. Some of the major suppliers for this project are as follows:

1. Dakay Construction & Development Corporation - Civil/Structural
2. Cab Construction Services - Drywall Partition and Ceiling
3. CAA Mansonry Works - Masonry Plastering and Tile works
4. Crossworld Construction Supply - Aluminium External Cladding
5. Synchronized Solution Inc. -Auxiliary and Electrical (5th to 8th Floor)
6. Balderas Engineering & Technology Services - Electrical (Basement 9th to 10th Floor)
7. Pesco Airconditioning and Engineering Services - Electrical (Ground to 4th Floor)
8. Citigas Inc. - Medical Gases Pipelines
9. Endure Medical Inc. Medical Equipment
10. JRDM Builders Corp. - Airconditioning/Hepa Filters
11. Thai Phil Services Ltd, Inc. - Airconditioning
12. Ultrade Phil Service Corp - Plumbing, Fire Protection and Fresh Air
13. R. Turno Glass & Alum Service - Glass works
14. Puricare Industrial Enterprises - R.O. System
15. International Elevatror & , Inc. - Elevators
16. Ladadios Builders Inc. - Joinery, Retrofitting, RMD, Vinyl & Doors
17. Westpoint Builders - External works, Pavement & Parking
18. Green Garden Landscaping Services - Landscaping

The aforementioned contractors are suppliers of goods and services relating to the construction of the hospital building.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

The Company has entered into a Memorandum of Agreement for the granting of discounts to its stockholders with the following hospitals:

1. Asia Pacific Medical Center - Bacolod, Inc.
2. Allied Care Experts Medical Center - Baliwag, Inc.
3. Allied Care Experts Medical Center - Bayawan, Inc.
4. Allied Care Experts Medical Center - Baypointe, Inc.
5. Allied Care Experts Medical Center - Bohol, Inc.
6. Allied Care Experts Medical Center - Butuan, Inc.
7. Allied Care Experts Medical Center - Cagayan de Oro, Inc.
8. Allied Care Experts Medical Center- Cebu, Inc.
9. Allied Care Experts Medical Center - Dipolog, Inc.
10. Allied Care Experts Dumaguete Doctors, Inc.
11. Allied Care Experts Medical Center - General Santos, Inc.
12. Allied Care Experts Medical Center - Legazpi, Inc.
13. Allied Care Experts Medical Center - Mandaluyong, Inc.
14. Allied Care Experts Medical Center- Palawan, Inc.
15. Allied Care Experts (ACE) Medical Center - Pateros, Inc.

16. Allied Care Experts (ACE) Medical Center- Quezon, Inc.
17. Allied Care Experts (ACE) Medical Center- Tacloban, Inc.
18. Allied Care Experts Medical Center-Valenzuela, Inc.
19. Asia Pacific Medical Center-Aklan, Inc.

The availment of the discounts and other privileges is subject to the internal policy of the aforementioned hospitals without prejudice to the financial position of the referral hospital. Other related transactions are discussed in page 30 of the Audited Financial Statement as of and ending on 31 December 2021.

GOVERNMENT APPROVAL

Asia Pacific Medical Center - lloilo Inc. has secured the necessary permits to construct the Hospital. Other permits may be required later for its operation and shall be complied with by the Company.

In the course of its pre-operation stage, Asia Pacific Medical Center- lloilo Inc. will secure permits and licenses from national and local government entities particularly the License to Operate (LTO) from the DOH, Environmental Compliance Certificate and Hazardous Waste Permit from DENR. The Building Permit and Occupancy Permit will be issued by the lloilo City Office of the Building Official and Business Permit from BPLO of lloilo City.

The LTO will be secured after the full construction of the Hospital and the necessary Occupancy Permit from the Building Official has been issued. The DOH will need to conduct ocular inspection of the facilities of the Hospital, as well as the pre-operation procedures of APMC - lloilo to ensure it is compliant with the standards of the Department prior to issuance of the LTO.

TRADEMARKS

On 19 March 2021, the Intellectual Property Office of the Philippines approved the application of the Company for the registration of the name Asia Pacific Medical Center as a trademark. Subsequently, on 13 April 2021, the Intellectual Property Office also approved the registration of the Asia Pacific Medical Center logo by the Company together with Asia Pacific Medical Center Bacolod, Inc. and Asia Pacific Medical Center- Aklan, Inc. The Company will file a Declaration of Actual Use within three years from the filing of the application to maintain the mark. The new trademarks is expected to distinguish the superb quality of the medical and hospital services the Company will offer from its competitors within the locality.

EXISTING OR PROBABLE GOVERNMENT REGULATIONS ON THE BUSINESS

The Company has no knowledge of recent or impending governmental regulations, the implementation of which will result in a material adverse effect on the company. However, various government agencies in the Philippines regulate the different aspects of the Company's business.

The following are noteworthy laws relevant to the Company:

CREATE ACT

Rationale:

Under Title XIII of RA 11534 otherwise known as the Corporate Income Tax and Incentive System, the Fiscal Incentives Review Board, or the Investment Promotion Agencies, under a delegated authority from the Fiscal Incentives Review Board shall grant the appropriate tax incentives to registered business enterprises to the extent of their approved registered project or activity under the Strategic Investment Priority Plan. Among the listed activities in the 2020 Investment Priority Plan is the Health and Disaster Risk Reduction Management Services which covers the establishment and operation of general and specialty hospitals, and other medical and healthcare facilities including drug rehabilitation, quarantine and evacuation centers. As APMC Iloilo will be a tertiary level 2 hospital it is qualified to avail of the tax incentives and enhanced deductions once registered and intends to commence the process in 2022 to ensure that its registration is approved prior to its operation. If registration is granted, the company will enjoy tax incentives and enhanced deductions from its taxable income.

The Data Privacy Act

The Data Privacy Act and its Implementing Rules and Regulations ensure the security of personal data and information and impose certain requirements and obligations to entities involved in the processing of personal data. Companies involved in the processing of personal data are required to appoint a Data Protection Officer and adopt a Personal Data Privacy Policy by September 1, 2017. The National Privacy Commission is tasked to administer and implement the provisions of the law and its rules and regulations.

Considering that the Company is involved in the processing of personal data, be it from investors, suppliers, employees and patients, the Company appointed Mrs. Toni Dinah Cheer Fernandez as Data Protection Officer. The company has enacted policies which provide for organizational, physical and technical security measures geared towards data protection. These policies recognize the rights of the data subject to information, access and rectification of his personal information, among others. It also provides for the procedure to be undertaken in the event of data breaches or security incidents. The policy further requires that all outsourcing arrangements of the group involving personal data collection be compliant with the requirements of the law.

The Universal Healthcare Act

The Universal Health Care Act requires all private hospitals to operate not less than ten percent (10%) of their bed capacity as basic or ward accommodation and regularly submit a report on the allotment or percentage of their bed capacity to basic or ward accommodation to DOH.

As soon as it operates, the Company will comply with the guidelines set by the DOH to implement the law in so far as private hospitals are concerned.

The Food Safety Act of 2013

The Food Safety Act of 2013 was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring and other activities carried out by the Department of Agriculture (the "DA") and the Department of Health (the "DOH"), their pertinent bureaus, and the local government units.

The law aims for a high level of food safety, protection of human life and health in the production and consumption of food, and the protection of consumer interests through fair practices in the food trade. The law provides that the DA and the DOH shall set the mandatory food safety standards, which shall be established on the basis of science, risk analysis, scientific advice from expert bodies, standards of other countries, existing Philippine National Standards and the standards of the Codex Alimentarius Commission, where these exist and are applicable.

Under this law, food business operators are charged with certain responsibilities to prevent, eliminate or reduce risks to consumers. They are further encouraged to implement a Hazard Analysis at Critical Control Points-based system for food safety assurance in their operations.

This law will regulate the operation of the commissary of the Hospital once it starts to operate.

RA 9439

RA 9439 was enacted into law to prohibit the detention of patients in hospitals and medical clinics on grounds of non-payment of hospital bills or medical expenses.

The law provides that patients who have fully or partially recovered and who already wish to leave the hospital or medical clinic but are financially incapable to settle, in part or in full, their hospitalization expenses, including professional fees and medicines, shall be allowed to leave the hospital or medical clinic, with a right to demand the issuance of the corresponding medical certificate and other pertinent papers required for the release of the patient from the hospital or medical clinic upon the execution of a promissory note covering the unpaid obligation. The promissory note shall be secured by either a mortgage or by a guarantee of a co-maker, who will be jointly and severally liable with the patient for the unpaid obligation. In the case of a deceased patient, the corresponding death certificate and other documents required for interment and other purposes shall be released to any of his surviving relatives requesting for the same. Patients who stayed in private rooms are not covered by this law.

ANTI HOSPITAL DEPOSIT LAW

Republic Act No. 10932, otherwise known as the Anti-Hospital Deposit Law provides that “in emergency or serious cases, it shall be unlawful for any hospital or medical clinic to request, solicit, demand or accept any deposit or any other form of advance payment as prerequisite for administering basic emergency care, for confinement or medical treatment, or to refuse to administer medical treatment and support to any patient.”

Under this new law, any official, medical practitioner or employee of the hospital or medical clinic who violates the its provisions shall be punished by imprisonment of not less than six (6) months and one (1) day but not more than two (2) years and four (4) months, or a fine of not less than P100,000.00 but not more than P300,000.00 or both. Higher penalties of imprisonment of four (4) to six (6) years, or a fine of not less than P500,000.00 but not more than one million pesos, or both, are imposed upon directors or officers of hospitals or clinics responsible for the formulation and implementation of policies or instructions violative of the said law. Three (3) repeated violations of RA 10932, shall result in the revocation of the health facility’s license to operate by the Department of Health (DOH). Further, a presumption of liability shall arise against the hospital, medical clinic, and the official, medical practitioner, or employee involved in the event of death, permanent disability, serious impairment of the health condition of the patient-complainant or in the case of a pregnant woman, permanent injury or loss of her unborn child as a result of the denial of his or her admission to the health facility, according to RA 10932.

Under this law, the Philippine Health Insurance Corporation (PhilHealth) will reimburse the hospital or clinic for the cost of basic emergency care and transportation services given to poor and indigent patients and the Philippine Charity Sweepstakes Office (PCSO) will also provide medical assistance for the basic emergency care needs of poor and marginalized groups. To ensue compliance without jeopardizing the company’s finances, its BOD will formulate policies to ensure efficient collection from the aforementioned agencies.

The Foods, Drugs and Devices, and Cosmetics Act

The Foods, Drugs and Devices, and Cosmetics Act, as amended by the FDA Act of 2009 establishes standards and quality n'1easures in relation to the distribution of health products which include pharmaceutical products sold within the hospital to ensure the safe supply thereof to and within the Philippines. The Food and Drug Administration (the "FDA", previously referred to as the Bureau of Food and Drugs) is the governmental agency attached to the DOH tasked to implement and enforce the FDDC Act.

This law will regulate the operation of the hospital pharmacy.

Taxation

On the matter of taxation and other charges, the Company is subject to the National Internal Revenue Code of 1997 (NIRC), as amended by Republic Act No. 9334 and further amended by Republic Act No. 10351. In the course of its business operations, the Company is subject to income tax and documentary stamp taxes.

Laws enacted during the COVID-19 pandemic and related policies

On 11 March 2020, the World Health Organization (WHO(declared a pandemic of the Corona Virus Disease 2019 (COVID-19). Thereafter, Presidential Proclamation NO. 929 s.2020 was issued declaring a State of Calamity throughout the Philippines due to the increasing number of Filipinos infected with the virus. To address the pandemic, various laws were enacted by the Congress of the Philippines and various rules, regulations and circulars were issued by the Department of Health.

In view of the outbreak of the COVID-19 pandemic, the Department of Health had to issue various policies that affected the operations of hospitals including the following:

DEPARTMENT CIRCULAR NO. 2022-0108

Under this Circular, all public and private hospitals were instructed to comply with PHILHEALTH CIRCULAR No. 2022-0003 which provides for Benefit Packages for Inpatient Management of Confirmed Coronavirus Disease (COVID-19) and Clarification of Probable Cases.

Environment-related Laws

The Philippine Clean Water Act of 2004 and its implementing rules and regulations provides for the requirement to secure a wastewater discharge permit, which authorizes the discharge of liquid waste and/or pollutants of specified concentration and volume from plants and facilities into any water or land resource for a specified period of time. The Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR) is responsible for issuing discharge permits and monitoring and inspection of the facilities of the grantee of the permit.

The Philippine Clean Air Act of 1999 and its implementing rules and regulations provides that before any business may be allowed to operate facilities and equipment, which emit regulated air pollutants, the establishment must first obtain a Permit to Operate Air Pollution Source and Control Installations. The EMB is responsible for issuing permits to operate air pollution source and control installations as well as monitoring and inspection of the facilities of the grantee of the permit.

The Solid Waste Management Act of 2000, with DENR Administrative Order 2011-34 as its implementing rules and regulations, sets the guidelines for solid waste reduction through sound reduction and waste minimization, including composting, recycling, re-use, recovery before collection, treatment and disposal in appropriate and environmentally sound solid waste management facilities in accordance with ecologically sustainable principles.

The Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 and its implementing rules and regulations, as well as DENR Administrative Orders 2013-25 and 2013-22, aim to regulate the management of ozone-depleting chemical substances and hazardous wastes generated by various establishments.

Costs and Effects of Compliance with Environmental Laws

The Company incurred about One Hundred Twenty Million Nine Hundred Thirty Nine Thousand Seven Hundred Eighteen Pesos and **17/100 (PhP 120,949,218.17)** in expenses for environmental compliance for the year 2021. On an annual basis, operating expenses incurred by the Company to comply with environment laws are not significant or material relative to the Company and its total cost and revenues.

EMPLOYEES

The Hospital will be staffed with medical specialists who will provide the skeleton force and attract other specialist to practice in the Hospital. Below is tile breakdown of the current manpower of APMCI and when it goes into commercial operations in the next twelve (12) months:

Type of Employees	Number of Current	Expected within the Next 12 months
Medical Support Staff	7	396
Administrative Staff	24	55
Engineering and Maintenance	7	12
Outsourced	14	30
Clerical	0	59
Others	0	142
Total	52	694

Medical Specialists

Medical Specialists are Doctors who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of APMCI.

The admission to the Medical Staff roster of APMCI will be under the jurisdiction of the Credentialing and Privileging Committee.

The Credentialing and Privileging Committee requires that the medical specialists of APMCI have updated professional licenses as practicing physicians from the PRC and PHIC.

They should have finished their training in the Accredited Specialty and Subspecialty Societies of their fields in the Philippines, and should be certified Diplomates and Fellows of their respective Medical Specialties. Documentary requirements shall be submitted to the Credentialing and Privileging Office upon application, and upon submission of the requirements, the committee will recommend to the Chief of Medical Services, the Executive Vice President, the Chief Executive Officer, and the BOD for final approval.

Medical specialists may have the option to apply for a Privilege to Practice and enjoy a clinic space and time at APMCI, or practice as regular visiting medical staff. Policies and procedures for acceptance to the medical Staff is stated in the Manual of Policies and

Procedures of the Credentialing and Privileging. Review of the medical staff credentials is annual, and privileges· review is every two years.

Currently, Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center-lloilo Inc.) has a total of 270 Medical Specialists that will practice within the hospital. Within the next 12 months, it is expected that the Hospital will accept at least 100 more Doctors.

MAJOR RISKS

The following are the identified risks in the operation of the hospital of the Company:

1. **OPERATIONAL RISKS**

   The business of healthcare is the delivery of care that is safe, timely, effective, efficient, and patient- centered within diverse populations. Operational risks relate to those risks resulting from inadequate or failed internal processes, people, or systems that affect business operations. Included are risks related to: adverse event management, credentialing and staffing, documentation, chain of command, and deviation from practice.

   To address this risk, the Company engaged consultants that could assist it to establish an internalprocess that would ensure efficient delivery of services.

2. **CLINICAL PATIENT SAFETY**

   Risks associated with the delivery of care to residents, patients and other healthcare customers. Clinical risks include: failure to follow evidence based practice, medication errors, hospital acquired conditions (HAC), serious safety events (SSE), and others.

   To address this risk, the Company is aiming to follow the standards set by the Joint Commission International for patient safety and eventually apply for accreditation.

3. **STRATEGIC RISKS**

   Risks associated with the focus and direction of the organization. Because the rapid pace of change can create unpredictability, risks included within the strategic domain are associated with brand, reputation, competition, failure to adapt to changing times, health reform or customer priorities. Managed care relationships/partnerships, conflict of interest, marketing and sales, media relations, mergers, acquisitions, divestitures, joint ventures, affiliations and other business arrangements, contract administration, and advertising are other areas generally considered as potential strategic risks.

   To address this risk, a Risk Manager shall be appointed by the Board of Directors as soon as practicable to ensure the formulation of policies within the Enterprise Management Framework.

4. **FINANCIAL RISK**

   Decisions that affect the financial sustainability of the organization, access to capital or the timing and recognition of revenue and expenses make up this domain. Risks include: costs associated with malpractice, litigation, and insurance, capital structure, credit and interest rate fluctuations, foreign exchange, growth in programs and facilities, capital equipment, corporate compliance (fraud and abuse), accounts receivable, days of cash on hand, capitation contracts, billing and collection.

The Company had secured a Loan from LBP and got the commitment of some Founders to advance some capital to fund its pre-operation activities. It also plans to have a Comprehensive Insurance Plan for its practitioners.

5. HUMAN CAPITAL

This is an important issue in today's tight labor and economic markets especially with the current brain-drain of health workers. Also included are risks associated with employee selection, retention, turnover, staffing, absenteeism, on-the-job work-related injuries (workers' compensation), work schedules and fatigue, productivity and compensation. Human capital associated risks may cover recruitment, retention; and termination of members of the medical and allied health staff.

APMCI plans to provide Non-Monetary Stock Benefit to its employees to attract health workers to employ in the hospital.

6. LEGAL/REGULATORY

Risk within this domain incorporates the failure to identify, manage and monitor legal, regulatory, and statutory mandates APMCI is coming up with a strong Compliance system.

7. TECHNOLOGY

This domain covers machines, hardware equipment, devices and tools, but can also include techniques, systems and methods of organization. Healthcare has seen an explosion in the use of technology for clinical diagnosis and treatment, training and education, information storage and retrieval, and asset preservation. Examples also include Hospital Information System, social networking and cyber liability.

APMCI engaged an Indentor, Endure Medical, Inc. to secure the most advanced machines, hardware and equipment for the hospital. TIPP Plus is currently in the process of installing and integrating the Company’s Hospital Information System.

Item 2. Properties

The Asia Pacific Medical Center – Iloilo is a 9-storey, 200-bed capacity hospital with helipad and one (1) basement parking level. Total floor area is around 28,550.50 sq. m. constructed in a 6,000 sq. m. property located at Barangay Ungka, Jaro, Iloilo City. It will also serve as a Referral Center for hospitals bearing the name Asia Pacific Medical Center and other institutions previously mentioned with which APMC Iloilo has entered a Memorandum of Agreement.

The property is covered by Transfer Certificate of Title Nos. 095-2015000546 and 095-2015000547 and Tax Declaration Nos. 15-03-042-00552 and 15-03-042-00553 registered in the name of Allied Care Experts (ACE) Medical Center - Iloilo Inc. and used as collateral for a Real Estate Mortgage with the Land Bank of the Philippines.

The land described above is recorded in the books of the company at **Twenty Eight Million Two Hundred Ninety One Thousand Six Hundred Thirty Pesos (P 28,291,630).** Aside from land, the other properties acquired and owned by the company are as follows:

Since 2015 until December 31, 2021, the corporation has acquired office equipment composed of desktop and laptop computers, printers, photocopying machines, steel cabinets and office furniture amounting to **Php 1,327,423.00** net of depreciation.

As of December.31, 2021, APMCI has acquired a total of **Php 292,224,738.00** medical equipment. These are operating room lights and tables, C-arm X-ray machine, Digital R/F machine, Digital Panoramic Dental Unit, and meal distribution trolleys, all of which are already delivered to the site and will be installed and used once specific areas in the hospital are ready.

Majority of the company's equipment are now stored in the hospital site. Storage contract with Iloilo Millenium Warehouse was terminated in early 2020, primarily to save on cost. Total cost of hospital equipment already on the site amounts to **P 94,913,982.00**. To date, total equipment costing **P35,595,773.00** are still temporarily stored at Sunny Realty Corporation (Endure warehouse) located at Pasig City, Metro Manila. These will all be delivered to the site once the hospital is ready for their installation.

For the purchase of the remaining equipment, APMC Iloilo has engaged the services of Endure Medical, Inc. to help in its importation.

The list for further procurement in the coming year includes (among others):

1 Diagnostic Laboratory Equipment
2 Hemodialysis Machines
3 Ambulance
4 Yag Laser Zeiss
5 Dental Equipment
6 Endoscopy System
7 2 d echo machines, ECG machines, Holter monitoring device
8 EEG machine, EMG machine
9 NICU equipments (infant warmers)
10 Others; autoclave, BP apparatus, crash carts, computers

Funds for the purchase of these equipment will be from the loan to be granted by Land Bank of the Philippines (which amounts to Php 155,000,000.00) and from the sale of securities. For the acquisition of some machines, APMC Iloilo may also opt for a "tie-up" contract with suppliers, if viable.

The Total Properties and Equipment owned by the company reflected a balance of **Four Hundred Seventeen Million Eight Hundred Four Thousand Six Hundred Eighteen (P 417,804,618.00)** at the end of the year (net of depreciation) and broken down as follows:

Land	**28,291,630.00**
Office Equipment (net)	**1,327,423.00**
Medical Equipment	**292,224,738.00**
Hospital 'Equipment	**94,913,982.00**
Kitchen Tools	**1,039,762.00**
Books/Periodicals(net)	**7,083.00**

LEGAL PROCEEDINGS OF COMPANY, ITS SUBSIDIARIES AND/OR AFFILIATES

Item 3. Legal Proceedings

Complaint filed before the Insurance Commission (IC) for engaging in Pre-need activities without license

The Insurance Commission (IC) has summoned the Chairman, Dr. Amado C. Enriquez to appear in a clarificatory conference before the Regulation Enforcement and Prosecution Division of the IC relative to the conduct of operations of the ACE Group of Hospitals, for allegedly engaging in pre-need business activities without the necessary license.

On March 8, 2018, Dr. Enriquez being represented by Atty. Arlex L. Ines and Atty. Maylene B. Villanueva, appeared before the IC and explained the Company's operations. The lawyers were directed to file a Supplemental Explanation until April 7, 2018 to address all queries of the IC relative to the Hospital's business activities.

On May 18, 2018, Attys. Ines and Villanueva again appeared before the Regulation Enforcement and Prosecution Division of the Insurance Commission, in a hearing before Atty. Brian Gale T. Sibuyan (Officer-in-Charge). They were asked to comment on the complaint filed by Dr. Kionisala.

Atty. Ines raised the following facts:

• Dr. Kionisala is a stockholder of ACE-Cebu. He is not, however, a stockholder nor is he connected or related in any way or manner to any of the other hospitals which he had impleaded or mentioned in his complaint. On that ground alone, the complaint should be dismissed as against the other hospitals because he has no legal right or interest in these hospital which may be benefited or prejudiced by the filing of the complaint;

• Even assuming that he is a stockholder of all these hospitals, the complaint should nevertheless be dismissed for the reason that the hospitals are not engaged in selling or offering pre-need plans. The respondents are engaged in the hospital business. They provide medical services to whomsoever wants to avail them regardless of who they are, where they come from, or whether or not they have Philhealth or HMO coverage;

• As a corporation, the hospitals have stockholders. They are classified into (i)medical stockholders, who consist of medical doctors who are allowed but not compelled to practice their profession in the hospital, and (ii) non-medical stockholders, who as the name implies, cannot practice the medical profession and thus represent the rest of the stockholders who are passive investors of the corporation;

• Both medical and non-medical stockholders enjoy the rights and privileges of a stockholder such as: right to vote, be voted upon as directors (if qualified), right to get records of the corporation, and right to partake of dividends (if any). In addition, the corporation extends special benefits to the stockholders which take the form of what is called as "medical benefits." They are actually discounts given to them in case they decide to avail of the services of the hospital. They get discounts from professional fees of doctors, patient rooms, medicines, and hospital bills. The discounts can be extended to their allowed heirs but the rates of discount will be different. In short, since what they get are just discounts, they still need to pay the rest of the hospital bills which are not covered by the discount;

• There is also no need to pay for the benefit which is given to them for so long as they remain a stockholder of the corporation. There is no recurring duty to pay a premium or regular fee which is the case for a real pre-need plan like HMOs. Hence, payment of a recurring fee or amount is not a precondition for the continuation of the discount.

It was surmised that the doctor is waging a personal vendetta against the officers of ACE-Cebu on a rather simple reason that he failed to get his stock certificate much earlier than he had wanted. Now the certificate is already available but he simply refused to get it so that he has an excuse to cause damage and inconvenience to a lot of people.

Another hearing was set together with the complainant on July 24, 2018.However, only the Doctor's counsel, Atty. Lora, appeared. He manifested that he is filing a 7-page letter with several annexes and this will summarize the position of his client. He eventually read portions thereof.

Complainant's theory, according to his lawyer, is that he and the other common shareholders were motivated to buy 1 block of shares in the various hospitals not because of the prospect of reaping dividends but because of the medical benefits which have been attached to the shares. Their interest in the corporation is so miniscule that it will take them forever to recover the Php250,000 or so which they paid for the shares if they will rely only on the dividends which may or may not be given by the corporation. In other words, the shares are just being used as a subterfuge to sell a pre-need plan.

If the problem of his client relates to the sale of shares, then the IC does not have the jurisdiction to hear the complaint. The SEC is the correct venue for that. However, Dr. Kionisala should disclose to the Commission that he has already filed a complaint with the SEC, a regular courtin Cebu, and in other government agencies as well. He is actually guilty of forum shopping. He is waging a personal vendetta at the expense of other parties.

Atty. Lora was asked how much his client paid for the shares. Php250,000, he said. Whether he was asked to pay separately for the benefits, to which he replied no. Whether his client is being asked to pay a recurring fee for the benefits. He hesitatingly said no. In that case, no preneed plan was sold to Dr. Kionisala. Unlike a typical HMO plan, Dr. Kionisala was never asked to pay money or any form of consideration in exchange for the benefits he stands to get. There is no continuing obligation on his part to pay the corporation a recurring fee so as to avail of the benefits or to make the benefits available. The benefits are also mere discounts on the cost of medical goods or services which he will avail of. He still needs to pay something for them.

On that note, the hearing officer decided to terminate the proceedings. The respondents were required by the Commission to submit within thirty (30) days their REPLY or POSITION PAPER to the seven-page Letter-Complaint filed by Ferdinand P. Kionisala.In compliance, a joint Position Paper was filed on 23 August 2018 by the following companies:
Allied Care Experts (ACE) Medical Center – Cebu, Inc. (or “Cebu”)
Allied Care Experts (ACE) Medical Center – Valenzuela, Inc. (or “Valenzuela”)
Allied Care Experts (ACE) Medical Center – Pateros, Inc. (or “Pateros”)
Allied Care Experts (ACE) Medical Center – Baypointe, Inc. (or “Baypointe”),
Allied Care Experts (ACE) Medical Center – Quezon City, Inc. (or “Quezon City”), and
Allied Care Experts (ACE) Medical Center – Baliwag, Inc. (or “Baliwag”).

Allied Care Experts (ACE) Medical Center-Iloilo Inc. also filed a separate position paper on 23 August 2018.

With the submission of said pleading, the case/matter was considered submitted for resolution.

On December 11, 2018, Commissioner Funa of the Insurance Commission issued a letter on the findings of the Commission after the investigation conducted on the allegations of Mr. Kionisala, to wit:

“In summary, the Commission finds that, based from the record, the benefits and privileges enjoyed by you or offered by any of the named respondents on this matter is not a pre-need contract, agreement, deed, nor plan contemplated under the law. The ACEMC – Cebu or any other respondent named on this matter are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission.”

Almost two years after APMC Iloilo received the resolution of the Insurance Commission (IC) on the request for investigation of Ferdinand Kionisala declaring that the benefits and privileges enjoyed by him or offered by any of the respondents he impleaded on his complaint is not a pre-need contract, agreement, deed, nor plan contemplated under the law and that ACEMC – Cebu or any other respondent named are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission , he filed a Motion for Reconsideration dated 25 November 2020 which the Company did not receive.

The Motion for Reconsideration was denied in a letter dated 29 November 2021 where the IC declared that the Complainant’s Motion for Reconsideration is bereft of any novel compelling arguments or new pieces of evidence to consider in order to depart from its previous ruling, The Company is awaiting the next action of the Complainant.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual Stockholders' Meeting, there was no other matter submitted by a vote of security holders during the period covered by this report.

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PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market Price on of and Dividends in Registrant's Common Equity and Related Stockholder Matters

A. Market Information

The Company markets and offers the securities through organic employees who are well versed with Hospital operations. Management believes that the strategic location of the Hospital, the facilities and the services it will provide, and the people behind the Hospital, are sufficient to entice medical specialists and prospective investors to consider the offer. The Company greatly relies n these organic employees and satisfied patients to spread the word about the facilities the Hospital can offer. There is no public trading market for the Company's shares.

Asia Pacific Medical Center- lloilo Inc. is offering 3,600 blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts.

The staggered Offer Price· per series of shares for sale to the public was arrived at by considering several factors including but not limited to: the timing of purchase relative to the completion of the Hospital and its facilities, the number of applicants the Hospital could serve and accommodate, the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, comparable price of similarly situated structure with similar facilities, market demand, risk undertaken by the original stockholders, the exclusive and premium nature of the Hospital and its intended patients and the acceptability of the pricing strategy to the current market.

The breakdown of the Offer Price is presented as follows:

	Number of Blocks of Common Shares	Maximum Proposed Selling Price per block
Series1st	2,600 blocks	P250,000 per block
2nd	500 blocks	P300,000 per block
3rd	500 blocks	P400,000 per block

The first Two Thousand Six Hundred (2,600) blocks had been sold at the price of Php 250,000. 00 per block by the third quarter of October 2019 and another One Hundred Ten (110) blocks at the price of Php300,000.00 per block were subscribed by December 31, 2019. The remaining Three Hundred Ninety (390) blocks at the price of Php300,000.00 per block were sold in the year 2020. Three (3) blocks at the price of Php400,000.00 per block of the third series shares were also sold by December 2020. Additional three (3) blocks were sold in the year 2021. The 3rd series were never offered until the 2nd series had been sold out in the same manner that the 2nd series were never offered to the public until the shares from the first series had also been sold out. The offered shares are not listed in the Exchange and are issued over the counter only, through the Company's employees acting as salespersons as reflected in its Registration Statement. The percentage of public ownership of the Company as of **December 31, 2021 is 13.21%.**

The 3,600 blocks that were offered to the public are sold primarily to Medical Specialists who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of APMC -Iloilo Inc. Other purchasers are non-medical specialists who are related to medical specialists and those who purchased the shares purely for investment purposes.

B. Holders

There are approximately 42 holders of Founder shares and approximately 2750 holders of common shares of the company as of 31 December 2021.

The Top 20 Stockholders as of 31 December 2021 are as follows:

STOCKHOLDERS	NATIONALITY	NUMBER OF SHARES		PERCENTAGE OF OWNERSHIP
1. BIRON, BRANDT LUKE Q.	FILIPINO	COMMON FOUNDER	21890 10	9.34% 1.67%
2. BIRON, BRYANT PAUL Q.	FILIPINO	COMMON FOUNDER	21140 10	9.02% 1.67%
3. BIRON, BRAEDEN JOHN Q.	FILIPINO	COMMON FOUNDER	21140 10	9.02% 1.67%
4. BIRON, FERJENEL G.	FILIPINO	COMMON FOUNDER	17860 150	7.62% 25%
5. SAMORO, FREDILYN G.	FILIPINO	COMMON FOUNDER	6884 20	2.94% 3.33%
6. SAMOY, MARIETTA T.	FILIPINO	COMMON FOUNDER	6770 20	2.89% 3.33%
7. RAMIREZ, RUBEN B.	FILIPINO	COMMON FOUNDER	5930 20	2.53% 3.33%
8. LAVALLE, AMADO JR.	FILIPINO	COMMON FOUNDER	3758 10	1.60% 1.67%
9. REGOZO, DANILO C.	FILIPINO	COMMON FOUNDER	3758 10	1.60% 1.67%
10. VILLAFLOR, AGNES M.	FILIPINO	COMMON FOUNDER	3758 10	1.60% 1.67%
11. LAVILLA, MERIDE D.	FILIPINO	COMMON FOUNDER	3748 10	1.60% 1.67%
12. SAMORO, RONNIE Z.	FILIPINO	COMMON FOUNDER	3452 10	1.47% 1.67%
13. COMUELO, JERUSHA A.	FILIPINO	COMMON FOUNDER	3452 10	1.47% 1.67%
14. ONG, MARY FLOR G.	FILIPINO	COMMON FOUNDER	3452 10	1.47% 1.67%
15. MINERVA, IKE	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67%
16. PEREZ, MA. GRACE G.	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67%
17. GONZALES, NOEL G.	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67%

18. CERNA-LOPEZ, GEANIE A.	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67%
19. DOMINGO, CARMELO JR.	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67 %
20. ORILLAZA, GENEROSO D.	FILIPINO	COMMON FOUNDER	3390 10	1.45% 1.67%

C. DIVIDENDS

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stocks. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the Company and other factors.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stocks are subject to approval by both the Company's Board of Directors and the Company's stockholders. The SEC must also approve the payment of stock dividends.

D. Recent Sale of Unregistered or Exempt Securities , Including Recent Issuance of Securities Constituting an Exempt Transaction

There is no recent sale of, unregistered or exempt securities as all of the Two Hundred Forty Thousandissued Shares (240,000) bf the Company are registered securities.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(1) Plan of Operation

Hospital construction is targeted to be completed in the first half of 2022. Recruitment of employees and hospital staff will follow and given that all governmental permits and regulatory licenses were secured, hospital operation will commence approximately in the fourth quarter of the same year.

The financial requirements of the corporation during the next twelve (12) months will primarily be allotted for the completion of the hospital structure including its interiors, landscapes, procurement of additional hospital equipment and additional salaries for the expected increase in manpower during the start of the hospital operation. Announcement for job vacancies has started and the hiring process for the needed employees will commence about three (3) months prior to target starting date of the operation which will be dedicated for the orientation and the training of both the medical and paramedical staff.

Current financial position depends on the infusion of cash coming from the remaining shares from IPO and the release of the remaining tranches of loan from the Land Bank of the Philippines. With the increasing cash demands especially that completion target has been set, the corporation must maximize all means to market more and sell offered shares to the public, which are now being offered at P400,000 per block. Aside from the active selling of shares by the employees of the corporation assigned to market the shares as reflected in the Company's Registration Statement, the company will utilize social media to encourage the public to invest in the hospital without prejudice to compliance of the provisions of the Securities and Regulation Commission regarding the marketing of the said shares. There shall be a rigorous collection of the remaining unpaid subscription of the stockholders to augment the cash position of the corporation.

At present, the Company has fifty two (52) employees but the Company is expected to engage more or less Six Hundred Ninety Four (694) employees in the next 12 months as it commences its operation. An additional budget for the training period of these employees will be provided.

The clinic spaces of the different medical specialist who signed up for a Privilege to Practice in the hospital will also be prepared in time for the start of the hospital operation to ensure ample flow of patients who will come for consultation and medical diagnostics, both as confined or out patients.

(2) Management's Discussion and Analysis
Results of Operations (December 31, 2021 vs December 31, 2020)

	Dec. 31, 2021	Dec. 31, 2020	Horizontal Analysis Inc./(Dec.)	%	Vertical Analysis 9/30/2021	9/30/2020
Revenue	0	0	0	0.00%	NA	NA
Direct Cost	0	0	0	0.00%	NA	NA
Gross Profit	0	0	0	0.00%	NA	NA
Other Income	22,133	107,317	(85,184)	-79.38%	NA	NA
Gross Income	22,133	107,317	(85,184)	-79.38%	NA	NA
General and Admin Expenses	19,051,323	29,646,352	(10,595,029)	-35.74%	NA	NA
Loss From Operations	(19,029,190)	(29,539,035)	10,509,845	-35.58%	NA	NA
Finance Cost	15,977,437	13,830,175	2,147,262	15.53%	NA	NA
Net Loss Before Income Tax	(35,006,627)	(43,369,210)	12,657,107	-29.18%	NA	NA
Income Tax Expense	0	0	0	0.00%	NA	NA
Net Loss for The Year	(35,006,627)	(43,369,210)	8,362,583	-19.28%	NA	NA
Other Comprehensive Income/(Loss) for the Year	0	0	0	0.00%	NA	NA
Total Comprehensive Loss for the Year	**(35,006,627)**	**(43,369,210)**	8,362,583	-19.28%	NA	NA

Other Income

The hospital is almost done. As at December 31, 2021, it is **97.36%** completed. Given so, there was no operational income/revenue generated yet. Recorded were only income earned from bank interests. Comparing ending balances, for 2021, it may be noted that the other income recognized fell 79.3% short as compared to the previous year. This may be attributed to the general usage of cash to finance the construction of the building. Funds received are almost automatically used to cover constructions costs.

General and Administrative Expenses

General and Administrative Expenses decreased by 36% (P10.6M) during the year. In comparison, various expenses decreased in huge numbers. Board Meetings and Professional Fees were down by 76% and 22%, respectively. Salaries were also down by 5% due to adjusted working hours. numbers for Taxes, Insurances, and utilities also went down.

Due to travel regulations, transportation expense also decreased by 89% from last year's balance. The company gave up the rented storage which gave a positive effect of 84% deduction from previous year's expenses. Ads expenses decreased by P197.7K.

However, the company also spent a little more for the 2021 ASM. Related expenses increased by P370.89K for these other/miscellaneous expenses.

	For the Years ended Dec. 31 2021	2020	Horizontal Analysis Inc./(Dec.)	%
Salaries and Allowances	10,114,250	10,607,015	(492,765)	-5%
Seminars and Trainings	288,095	27,255	260,840	0%
Board Meetings and Meals	2,361,231	9,960,373	(7,599,142)	-76%
Professional Fees and Legal Fees	1,803,246	2,299,496	(496,250)	-22%
Security Services	1,848,089	1,625,740	222,349	14%

Taxes and Licenses	207,982	1,350,661	(1,142,679)	-85%
Insurance Expense	144,642	777,807	(633,165)	-81%
Utilities	136,494	760,656	(624,162)	-82%
SSS, PHIC, and HDMF Contributions	600,173	516,045	84,128	16%
Depreciation Expense	502,103	422,949	79,154	19%
Amortization of Intangible Asset	41,667	0	41,667	0%
Transportation and Travel	40,182	374,228	(334,046)	-89%
Rentals	50,151	316,000	(265,849)	-84%
Office Supplies	393,884	262,158	131,726	50%
Advertising and Marketing Expenses	51,414	249,143	(197,729)	-79%
Miscellaneous	467,720	96,826	370,894	383%
TOTALS	**19,051,323**	**29,646,352**	(10,595,029)	-36%

Financial Condition (December 31, 2021 vs December 31, 2020)

Assets

The company's assets grew by 9% in 2021. Mostly, the increase was in the part of the Construction in progress account which was expected given that the hospital construction is already **97.36%** complete. Over the year, the account increased by P142.3M. On the other side, cash ending balance was down by P33.5M, thus the 70% variance from previous balance reported.

Liabilities

Total liabilities of the company increased by 7.67% (P77.0M) in 2021 as compared to the previous year's total of P1.003M. The company borrowed money from Related Party totaling P108.8M in 2021. There were deductions, though, Loans to individual decreased by P7.0M while total bank loans also decreased by P15.0M. Loan principal amortizations started this year.

Equities

This year's ending balance for total equity is 6.74% higher than last year's. Total share capital increased to P235.06M from P221.23M. Share premiums also increased by 72.7M this year for an ending balance of P726.2M. Total deficit now stands P-145.6M from P-110.6M in 2021.

ASSETS	**Dec. 31, 2021**	**Dec. 31, 2020**	**Horizontal Analysis**		**Vertical Analysis**	
			Inc./(Dec.)	**%**	**12/31/2021**	**12/31/2020**
CURRENT ASSETS						
Cash	14,514,332	48,022,046	(33,507,714)	-69.78%	0.77%	2.72%
Unused Office Supplies	3,237,553	140,652	3,096,901	0.00%	0.17%	0.01%
Advances to Related Party	35,595,773	32,063,203	3,532,570	11.02%	1.88%	1.81%
Advances to Contractors	55,086,837	46,605,879	8,480,958	0.00%	2.91%	2.64%
Advances to Suppliers	6,671,744	7,022,271	(350,527)	0.00%	0.35%	0.40%
Prepayments	326,013	213,858	112,155	52.44%	0.02%	0.01%
	115,432,252	134,067,909	(18,635,657)	13.90%	6.09%	7.59%
NON-CURRENT ASSETS						
Property and Equipment (net)	417,804,618	412,944,976	4,859,642	1.18%	22.04%	23.36%
Construction-In-Progress	1,357,724,224	1,215,428,067	142,296,157	11.71%	71.61%	68.77%
Intangible Asset (net)	8,333	0	8,333	0.00%	0.00%	0.00%
Other Non-Current Assets	5,015,171	5,015,228	(57)	0.00%	0.26%	0.28%
	1,780,552,346	1,633,388,271	147,164,075	9.01%	93.91%	92.41%

TOTAL ASSETS	**1,895,984,598**	**1,767,456,180**	**128,528,418**	**7.27%**	**100.00%**	**100.00%**

LIABILITY AND EQUITY	**Dec. 31, 2021**	**Dec. 31, 2020**	**Horizontal Analysis**		**Vertical Analysis**	
			Inc./(Dec.)	**%**	**12/31/2021**	**12/31/2020**
CURRENT LIABILITIES						
Accounts Payable and Other Liabilities	87,252,859	96,662,087	(9,409,228)	-9.73%	4.60%	5.47%
Income Tax Payable	0	228	(228)	0.00%	0.00%	0.00%
Loans Payable to Individuals	23,000,000	30,343,471	(7,343,471)	-24.20%	1.21%	1.72%
Loans Payable to Related Party	108,834,969	0	108,834,969	0.00%	5.74%	0.00%
Notes Payable - Current Portion	35,055,603	19,393,250	15,662,353	80.76%	1.85%	1.10%
	254,143,431	146,399,036	107,744,395	73.60%	13.40%	8.28%
NON-CURRENT LIABILITIES						
Notes Payable - net of Current Portion	826,262,841	856,996,830	(30,733,989)	-3.59%	43.58%	48.49%
	826,262,841	856,996,830	(30,733,989)	-3.59%	43.58%	48.49%
TOTAL LIABILITIES	1,080,406,272	1,003,395,866	77,010,406	7.67%	56.98%	56.77%
EQUITY						
Share Capital (net)	235,060,000	221,234,000	13,826,000	6.25%	12.40%	12.52%
Share Premium	726,166,619	653,467,980	72,698,639	11.13%	38.30%	36.97%
Deficit	(145,648,293)	(110,641,666)	(35,006,627)	31.64%	-7.68%	-6.26%
	815,578,326	764,060,314	51,518,012	6.74%	43.02%	43.23%
TOTAL LIABILITIES AND EQUITY	**1,895,984,598**	**1,767,456,180**	**128,528,418**	**7.27%**	**100.00%**	**100.00%**

	2021	**2020**
Cash and Cash Equivalent	Cash is the most used resources of the company because of the construction of the hospital. Whatever amount that's received, it is automatic that it will be used for the construction.	The year-end balance of cash showed an increase from last year's. LBP released additional tranches of loans before the year ended.
Advances from Related Party	These represent the amount of equipment already paid by the company but still in the indentor's custody.	These are the cost of equipment purchased thru an indentor that's already paid but not yet delivered.
Advances and Other Receivables	Among those taken up under the account are down payments made to contractors and suppliers. These are being recouped gradually as their work progresses.	
Property and Equipment (net)	These are machines that are already in the possession of the hospital ready for use when it opens.	
Construction-In-Progress	Construction is almost done at **97.36%**. The hospital is expected to open its doors to the public this 2nd half of 2022. Year-end balance of the account increased by P142.0M from last year's.	Construction is at 94% as of year-end. And total amount used to finance the construction increased by P222.0M compared to last year.
Other Non-Current Assets	Recorded as deposits to MORE Power Corp is P5.0M and the remaining unused rentals of P15.0K with IMS.	

Accounts Payable and Other Liabilities	The balance reflected at year end is about 10% less than what was last year of P96.6M. 50% of the account is Retention Payables. Payables to suppliers and contractors account for 42.5%. Government liabilities account for 0.5%. Accruals get the remaining 7%.	Retention payables account for 40% of the accounts payable, while accrued interest is at 32%. Payables to contractors / suppliers is 25% of the total. Other payables include governmental expenses, etc.
Notes Payable	LBP loans as at end of December 2021 amounts to P861.318,444.00. Total principal amortizations done this year amount to P15.0M	LBP released an additional FA of almost P120.0M in 2020. Total loans now amount to P876,390,080.00.
Loans Payable to Related Party	Phil Pharmawealth, Inc., a related party account extended a loan to the company to help finance for construction of the hospital building. To date, total amount stands P108.8M.	-
Loans Payable to Individuals	The account is gradually liquidated. As of Year-end 2021, account balance stands P23.0M.	These are non-interest bearing loans provided by individual shareholders to help in the construction of the hospital. These loans are slowly being liquidated whenever there are available funds.
Capital Shares	Total capital shares amount to P235.06M, accounting for 235,060 shares sold. That is 97.94% of 240K shares.	As at year end 2020, the company was able to sell and collect 221,234 shares of its 240,000 outstanding shares (92%)
Share Premiums	Net share premium for 2021 is P726.2M. This is P72.7M higher than last year's P653.5M.	Net share premium recorded as at end of 2020 increased by P406.5M as compared to 2019.

Results of Operations	**Dec. 31, 2021**	**Dec. 31, 2020**	**Dec. 31, 2019**
Revenue	0	0	0
Gross Profit	0	0	0
Other Income	22,133	107,317	97,953
General and Admin Expenses	(19,051,323)	(29,646,352)	(25,904,499)
Finance Cost	(15,977,437)	(13,830,175)	(11,456,490)
Total Comprehensive Loss for the Year	**(35,006,627)**	**(43,369,210)**	**(37,263,036)**
Total Resources	**1,895,984,598**	**1,767,106,517**	**1,488,628,779**

The opening of the hospital has been moved to 2021 and then now on the second half of 2022. This is mainly because of the effect of the pandemic where transportation was greatly affected which eventually affected the mobilization of equipment and manpower, thus, the delay in the hospital construction. There were also adjustments in construction and hospital designs that further pushed the opening of the hospital.

For the same reasons, income generation out of operations was of course affected. To date, other income generated and recognized by the company covers only those earned from interest from bank deposits. However, given that there are already people working for the company, administrative and construction expenses were already incurred and recorded.

Key Performance Indicators (KPIs)

		2021	2020
LIQUIDITY			
Quick Asset Ratio	Cash + Cash Equivalent + Current AccountsReceivable / Current Liabilities	0.45 : 1	0.91 : 1

Remarks:

Company resources are a little low as of this time given the on-going construction. As such, the quick asset ratio of the company does not show much of a good number. The hospital is expected to finish construction and start operations this second semester of 2022, once operational, it is expected that cash and other current assets will reflect a more positive data.

		2021	2020
Current Ratio	Current Assets / Current Liabilities	0.45 : 1	0.92 : 1

Remarks:

The hospital is on the last stretch of construction. It is almost done at **97.36%** completion stage. Company resources are being channeled to this construction and because of this, present current ratio does not show much of an attractive information. It is expected to be better when the hospital starts its operation this 2022.

SOLVENCY

		2021	2020
Debt to Equity Ratio	Long Term Debt / Equity	1.01 : 1	1.12 : 1

Remarks:

Slowly, the company's debt to equity ratio is getting better. With the enhanced selling of shares and eventually collection of payments, we are positive that in no time the financial data will be more attractive.

PROFITABILITY

		2021	2020
Net Profit Margin	Net Income / Sales	NA	NA

Remarks:

Data is not yet available. Hospital is not yet operational.

		2021	2020
Return on Equity	Net Income / Stockholders' Equity	NA	NA

Remarks:

Data is not yet available. Hospital is not yet operational.

LEVERAGE

		2021	2020
Debt to Total Asset Ratio	Total Debt / Total Asset	0.57 : 1	0.57 : 1

Remarks:

At present, most of the resources of the company go to the construction of the hospital. The company also source out funds to finance this construction. Thus, the loans with LBP. When the hospital opens, start its operations, and pay off the loans entirely, the numbers reflected will be much better.

Asset to Equity Ratio	Total Asset / Total Equity	2.32 : 1	2.31 : 1

Remarks :

At this point, the company sourced some funding from various groups to help in the construction of the hospital. Thus, the loans. Presently, the company has started paying for the loan amortization. Another source of funds is the sale of securities. The proceeds of these sales would boost the numbers for the equity accounts. The hospital is scheduled to open the 2nd half of 2022. And hopefully positive things will flow in and operational expectations will be fulfilled. As at present company asset is 132% higher than its equity.

INTEREST RATE COVERAGE RATIO

Interest Rate Coverage Ratio	Earnings Before Interests & Taxes / Interest Expenses	NA	NA

Remarks:

Data is not yet available. Hospital is not yet operational.

As of December 31, 2021

1. The company has not been involved in any tax and/or regulatory assessments.
2. There has been no off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
3. There are no seasonal aspects that had material impact on the results of operations of the company
4. There are no events nor any default acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the company
5. The company intends to commence its operations in the 2nd half of 2022 when the hospital facility will be completed and the regulatory requirements and licenses have been secured.
6. The company has no investments on foreign securities.

2018 compared by 2017

Hospitals construction was on going despite financial incapability. The founders, on their own accounts, helped out to initially finance the construction of the hospital.

2019 compared to 2018

In December 2018, SEC granted the Company its permit to sell securities. Actual selling commenced on April 2019 after amendment of the prospectus to allow organic employees to act as salesmen of the IPO shares, this permit enabled the company to hasten the construction of the hospital because funds were generated thru the sale of securities.

2020 compared to 2019

Given that the hospital is in full swing, company resources, especially cash has been depleting. Also, the pandemic affected the sales of securities which eventually affected the construction of the hospital. Despite the odds, the hospital was able to continue, though slowly. Instead of pushing for the original plans of opening the hospital in 2020, the company decided to delay the opening in 2021.

2021 compared to 2020

The world still suffered the effects of the pandemic. The year 2021 experienced the surge of the Delta variant of COVID 19 which eventually pushed further the opening of the hospital to 2022. In the last part of the year, settlement of uncollected subscriptions were prioritized. Also, COVID cases slowed down, thus, opening options for various modes of transportation and other business opportunities.

Item 7. Financial Statements

The 2021 Audited Financial Statements of the Company (with the External Auditors' PTR, Name of Certifying Partner and Address) and Statement of Management's Responsibility are attached hereto as **Annex A.**

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Dimaculangan, Dimaculangan and Company CPAs for years 2021, 2020 and 2019 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

Note 3, Transition to the PFRS, to the financial statements provide discussion on the change in the financial reporting framework, pursuant to the Securities Regulation Code Rule 68, as Amended (2011), including adjustments made on prior period correction of errors in classification of accounts.

EXTERNAL AUDIT FEES, AND SERVICES

The External Auditor has rendered:

Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.
Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.
The Audit Committee has approved the above mentioned services

The aggregate fees billed are shown below:

Fees approved in connection with the assurance rendered by Dimaculangan, Dimaculangan and Company CPAs pursuant to the regulatory and statutory requirements for the years ended December 31, 2021 amount to P224,000.00 inclusive of 12% VAT, December 31, 2020 amount to P399,632.00 inclusive of 12% VAT and December 31, 2019 amount to 674,172.00 inclusive of 12% VAT.

Year	2021	2020	2019
Audit Fees	**224,000.00**	**399,632.00**	**P674,172.00**

PART III -CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of its operations for its review. The Board consists of fifteen (15) members, of which three (3) are independent directors. However, by virtue of the withdrawal of the third nominee for Independent Director a few days before the 2021 Annual Stockholders' Meeting, currently there are only fourteen (14) directors of which two are independent directors. The Office of the General Counsel has yet to issue its opinion on the manner by which the third seat shall be filled up.

The table below set forth the members of the Company's Board as of December 31, 2021.

Name	Age	Position	Citizenship
Biron, Ferienel G.	57	Chairman	Filipino
Lavilla, Meride D.	58	Vice Chairman	Filipino
Lavalle, Amado Jr.	58	President	Filipino
Regozo, Danilo	58	Executive Vice President	Filipino
Gomez, Lusyl M.	62	Director/Asst. Corporate Secretary (Elected August 26 2021)	Filipino
Villaflor, Agnes Jean M.	57	Director/ Treasurer	Filipino
Fernandez, Lemuel T.	54	Director/ Asst. Treasurer (Elected on August 26, 2021)	Filipino
Dianco, Felibert 0.	47	Director	Filipino
Minerva, Ike	46	Director	Filipino
Nolasco, Felix	69	Director	Filipino
Samoro. Fredilyn G.	58	Director	Filipino
Suplico, Rolex	62	Director	Filipino
Debuque, Ma. Teresa F.	59	Independent Director	Filipino
Comuelo, Jerusha A.	54	Independent Director	Filipino

All the above individuals were elected as Board of Directors and Officers of the Corporation for the year 2021 until their successors are elected during the Annual Stockholders meeting of ASIA PACIFIC MEDICAL CENTER –ILOILO, INC., (Formerly: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – ILOILO, INC.) held on 26 August 2021. During the Organizational Meeting on the same day, Dr. Lavilla, Dr. Gomez and Mr. Fernandez were elected as Vice Chairman, Asst. Corporate Secretary and Asst. Corporate Treasurer respectively. The Compliance Officer, Atty. Maylene B. Villanueva was re-elected as Corporate Secretary in the same meeting until a more suitable candidate for the position becomes available.

The business experience of each of the directors of the Company for the last five (5) years is as follows:

Ferjenel G. Biron, MD is the Chairman of the Asia-Pacific Medical Center (APMC) group of hospitals (Aklan, Bacolod and Iloilo) which were separately incorporated in December 2014 (Asia Pacific Medical Center-Iloilo, Inc.), September 2017 (Asia Pacific Medical Center – Bacolod, Inc.) and December 2017 (Asia Pacific Medical Center- Aklan, Inc.). He is also the Founding President of the said hospitals and served in that capacity until June 2020 in APMC Aklan and August 2021 in APMC Iloilo while he remains as President of APMC Bacolod to date.

He is also the Founding President and CEO of Phil Pharmawealth until 2004 and served as Chief Executive Officer of Endure Medical Inc. in 2020-2021. He is also the current President of Aesthetical Manila, Inc., and Smartlab Diagnsotics, Inc. and the Chairman of Botikang Pinoy, Inc. and Super BP Mart Corporation. He was elected Congressman of the Fourth (4^{th}) district of Iloilo from 2004 -2013 and 2006-2019 and previously served as Chairman of the Committee on Legislative Franchises and Committee on Trade and Industry. He is a member of the Board of Directors of Allied Care Experts (ACE) Medical Center – Butuan Inc., Allied Care Experts (ACE) Medical Center – GENSAN Inc. and Allied Care Experts (ACE) Medical Center – Cagayan de Oro, Inc. Presently, he is writing his thesis for Master of Arts in Hospital Administration at Cebu Doctor's College. He also took a course in Master in Business Economics from the University of Asia and the Pacific.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021 and the Master class in Complete Staff Work conducted by the Center for Global Best Practices on September 15-17, 2021 and September 20-22, 2021.

Dr. Biron graduated Magna Cum Laude with a degree in B.S Biological Sciences at Western Visayas State University in 1985. He continued his Medical School in the same University and graduated in 1989 and had his Post Graduate Internship at Western Visayas Medical Center Hospital in 1989-1990. In 1999, he completed the. Manufacturing and Finance Course for Senior Executives School at Asian Institute of Management. He attended the University of Asia and the Pacific taking up Strategic Business Economic Planning leading to Master in Business in Economics in 2014. He is a thesis away from completing the Master in Hospital Management program of Cebu Doctors College.

Amado M. Lavalle Jr., MD, is the current President of the Company. He served as Executive Vice President of the Company from August 2019 until he was elected President in August 2021. He was the Vice Chairman of the Board from June 2016 to August 2019 and has been one of the Directors of the Company since 2014. Dr. Lavalle was a Training Officer from 1997 to 2004 and the Chairman from 2005 to 2011 of the Department of Surgery of St. Paul's Hospital. He is also a Consultant of West Visayas State University Hospital Medical Center, Department of Surgery from 1998 to present and Western Visayas Medical Center from 1998 to 2017. Dr. Lavalle served as the Secretary from 1998 to 2001 and President from 2002 to 2003 of the Philippine Society of General Surgeons, Panay Chapter. He also became a member of the Board of Directors of Philippines College of Surgeons Panay Chapter from 1998 to 2002. Dr. Lavalle was a consistent Honor Student from Elementary to College. He finished his Bachelor of Science in Biological Sciences at West Visayas State University 1984 and graduated Magna Cum Laude. He continued his Medical Studies in the same University until he graduated in 1988. He had his Post-Graduate Internship at St. Paul's Hospital from 1988 to 1989. Dr. Lavalle had his residency training in General Surgery from 1990 to 1994 in the same hospital. He had his Fellowship Training in Surgical Oncology at UP- PGH in 1996. He is presently taking his Master of Arts in Hospital Administration at Cebu Doctor's University and currently on thesis writing.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021. After he was elected President, he attended the Professional Directors Program of the Institute of Corporate Directors Batch 71 held on September 28-29, 2021, October (6, 7, 12, 13, 26 & 27), 2021 and November 4-5, 2021.

Meride D. Lavilla, MD, is the current Vice Chairman of the Board. She had also served the Company as Assistant Corporate Treasurer from December 2014 to May 2016 and was the Corporate Secretary from June 2016 until she stepped down to become Assistant Corporate Secretary on September 2019, a position she held until her election as Vice Chairman in August 2021. Dr. Lavilla was also the Corporate Secretary of Healthlink Inc. for 3 years and member of its Board of Directors for 5 years. She also served as the Corporate Treasurer from 2017 to 2018 and Assistant Corporate Treasurer from 2018 to present of Asia Pacific Medical Center Bacolod Inc. She is the Vice President of Asia Pacific Medical Center (APMC) - Aklan Inc. since 2018. She had been a Director of Allied Care Experts Medical Center Cagayan de Oro Inc. from 2016 and is the current Assistant Corporate Treasurer of the corporation. She is also a Founding

Member of Allied Care Experts (ACE) Medical Center-Butuan, Inc., and Allied Care Experts (ACE) Medical Center – GENSAN. Dr. Lavilla served as Chairman of ExcelGlobal Inc. from 2017-2020.

Dr. Lavilla is a member of the Philippine College of Occupational Medicine and is a Medical Retainer for Vitarich Corporation from 2009 to date and Angelina Bakeshop from 2008 to 2020.

Dr. Lavilla took Bachelor of Science in Biology and graduated Cum Laude from West Visayas State University in 1984. She had her medical studies at West Visayas State University, College of Medicine in 1988. She had her Post-Graduate Internship at St. Paul's Hospital in the year 1988-1989 and had her residency training in Pediatrics and became the Chief Resident at West Visayas State University Medical Center from 1990 to 1993. She became a Diplomate of the Philippine Pediatric Society in 1998 and a Fellow Member in 2014. She has been a Clinical Preceptor in Pediatrics for 2nd and 3rd year Medical Students of West Visayas State University, College of Medicine from 1994 to present. She is completing her thesis for Master of Arts in Hospital Administration at Cebu Doctors University. Aside from being a Physician, Dr. Lavilla is also a Registered Nurse.

As one of the Directors of the Company, she had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Danilo C. Regozo, MD, Regozo is the current Executive Vice President of the Company and the concurrent Head of the Construction Committee. He is also the Executive Vice President of Asia Pacific Medical Center - Bacolod Inc. since 2017 and a Director in Allied Care Experts Medical Center, Butuan Inc. and Allied Care Experts Medical Center, GENSAN Inc. since 2016 and Asia-Pacific Medical Center-Aklan, Inc. since 2017.

Dr. Regozo is the owner of Farmacia Neo and Regozo Family Medicine Clinic. He is also an Associate Member of the Philippine College of Occupational Medicine from 1994 to present. He was the Treasurer from 2001 to 2003 and Vice President from 2003 to 2004 of the Philippine Academy of Family Physicians, Iloilo Chapter. Moreover, Dr. Regozo was the Assistant Secretary from 2014 to 2016, Vice President from 2016 to 2018 and a member of the Board of Directors of Iloilo Medical Society from 2018 to 2019. Dr. Regozo graduated at the University of the Philippines with a degree in Bachelor of Science in Fisheries in 1983. He finished his Bachelor of Science in Biological Sciences at West Visayas State University in 1984. He then completed his Medical Degree at West Visayas State University, College of Medicine in 1988. Dr. Regozo had his Post-Graduate Internship at St. Paul's Hospital in 1988. In 1999, he was conferred as Diplomate in Family Medicine. Aside from being a Physician, Dr. Regozo is also registered Nurse. Currently, Dr. Regozo is writing his thesis for his Master of Arts in Hospital Administration at Cebu Doctor's College.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021 and the training on Best Practices in Strategy Execution, conducted by the Center for Global Best Practices on October 28, 2021.

Lusyl M. Gomez MD is the current Assistant Corporate Secretary of the Company. She was also the Assistant Corporate Treasurer from October 2020 to August 2021 and the Vice President for Finance of the Company in 2018 up to the present. She previously served as Independent Director of the Company from September 2017 to August 2018 and was elected as Regular Director in October 2020. She is a Diplomate member of the Philippine Pediatric Society and a member of the Philippine College of Occupational Medicine. She served as Treasurer and Member of the Board of Healthlink (Iloilo), Inc. for four (4) years and twelve (12) years respectively up to the present. She is the Member of the Board of Directors of Wellness Medical Pharma for six (6) years and a Treasurer for four (4) years. She is a Professor at the School of Dentistry of Iloilo Doctors College for three (3) years and was a school physician at St. Therese College and STI College for three (3) years. She is also the Vice President for Operations of Excel Global Inc. since 2016 up to 2019. She is also the Head of Operations of Ipedcare Plus Pharmacy (2021). She is a graduate of BS Biology and Medicine of West Visayas State University. She had her Post Graduate Internship and Residency Training at Iloilo Doctor's Hospital. She is currently working on her thesis for Master of Arts in Hospital Administration in

Cebu Doctor's University.

As one of the Directors of the Company, she had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Agnes Jean M. Villaflor, MD, is the Corporate Treasurer of the Company since June 2016 and has been one of its Board of Directors since 2014. She also served as Assistant Corporate Secretary of the company from December 2014 to May 2016 prior to her election as Corporate Treasurer. She is also the Medical Director of M3 Dialysis Center from 2007 and the Medical Director and Secretary of Renal Specialty Inc. from 2016 to present. She is a Training Officer at West Visayas State University Medical Center Department of Internal Medicine and a Professorial Lecturer at the College of Medicine of West Visayas State University and Central Philippine University. Dr. Villaflor took her Bachelor of Science in Biological Science at the University of the Philippines in the Visayas and her medical studies at West Visayas State University. She had her Post-Graduate Internship at Westen Visayas Medical Center and her residency training in Internal Medicine at West Visayas State University Hospital. She had her Fellowship Training at Philippine General Hospital in Nephrology. She is completing her Masteral studies in Hospital Administration at Cebu Doctor's University.

As one of the Directors of the Company, she had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021 and the training on Best Practices in Strategy Execution, conducted by the Center for Global Best Practices on October 28, 2021.

Lemuel T. Fernandez was elected as Regular Director of the Company after his resignation as Independent Director of Asia Pacific Medical Center- Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center-Iloilo, Inc.), a position he occupied from August 2018 to February 2019. He has been an Editor in Chief of The Daily Guardian since 2002. He was the President of Rotary Club of Iloilo in 2016 and past President of Iloilo Press Club. Mr. Fernandez finished his Degree in Bachelor of Arts at University of Iloilo in 1988.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Felibert O. Dianco, MD was elected as regular Director on 26 August 2021. He had also served as Independent Director of the Company from 29 October 2020 to 26 August 2021. He finished his Doctor of Medicine at WVSU College of Medicine. He trained as Internist at West Visayas State University Medical Center and continued on his fellowship training on Adult Cardiology and Non Invasive Cardiology at the Philippine Heart Center and published several papers during his training. He is also a professorial lecturer at West Visayas State University, College of Medicine and Central Philippine University, College of Medicine. Currently, he is the Assistant Chair of the ICU Committee of West Visayas State University Medical Center. He had been a President of the Philippine Heart Association Western Visayas - Panay Chapter for two (2) years and is currently a member of the Board of Directors of PCP -Panay Chapter. He also studied Master in Hospital Administration at Cebu Doctors' University.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Ike T. Minerva, MD has been a Regular Director of Asia Pacific Medical Center- Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center-Iloilo, Inc.) since August 2019. He was elected and served as Independent Director of the company from September 2017 to August 2018. He is currently the Section Head of Gastroenterology and Endoscopy Unit Head of West Visayas State University Medical Center from 2011 up to the present. He finished his Bachelor of Medical Technology in the year 1996 and pursued his Medical Degree at West Visayas State University College of Medicine in the year 2000. He pursued Internal Medicine Residency at West Visayas State University Medical Center and became a Chief Resident. He graduated with a fellowship in Gastroenterology and Hepatology at Manila Doctors' Hospital as the Chief Fellow. Because of his interest in Interventional Endoscopy, he decided to continue his further training at Pusat Perubatan Universiti Malaya in Kuala Lumpur, Malaysia which is one of the few centers in the world catering to Advance Endoscopy Training.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021 and the training on Best Practices in Digital Transformation Risk Management conducted by the Center for Global Best Practices on December 2-3, 2021.

Felix P. Nolasco, MD is a Maxillofacial-Plastic Otolaryngologic-Head and Neck Surgery Specialist who was re-elected as Director of the Company in October 2020 and continues to serve as such up to present. He had previously served the Board from December 2014 to September 2017. He is presently the Chairman of Sto. Tomas Doctor's Hospital Medical Center and was a Member of the Board of Directors of Allied Care Experts Medical Center Cebu from 2019 to 2020; Allied Care Experts Medical Center Pateros and Allied Care Experts Medical Center Quezon City for approximately seven (7) years and Allied Care Experts Medical Center Dumaguete for five (5) years. He previously held the following positions: President of Unihealth Baypointe Hospital Medical Center, Vice President of ACEMC Bohol, Inc., Vice -Chairman of ACEMC-Baliwag, Medical Director and Administrator of Unihealth Paranaque Hospital and Medical Center.

On the Academic side he was the President of the Philippine Board of Otolaryngology-Head and Neck Surgery in 2020, President of the Phil. Society of Otolaryngology- Head and Neck Surgery Inc in 2005, Founding Chairman of the Phil Academy of Cranio Maxillo Facial Surgery, PSOHNS and Founding Director of the Otolaryngologic Maxillofacial Aesthetics Center at East Avenue Medical Center -a DOH Hospital.

He was a Chairman of the ENT-HNS, East Ave Med Center for nineteen (19) years and retired in 2017 as Chairman Emeritus. He was also a Former Executive Officer of the ENT-HNS Jose R. Reyes Memorial Medical Center and Consultant of Department of Otolaryngology, UP-PGH Medical Center.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Fredilyn G. Samoro, MD, has been one of the Directors of the Company since 2014. She served as Vice Chairman of the Board of Directors from August 2019 to October 2021 and was also previously the Vice President for Marketing. She is also the President of Allied Care Experts (ACE) Medical Center Inc., Butuan and Allied Care Experts (ACE) Medical Center – GENSAN. She is the School Head/Chief Operations Officer of Iloilo Integrated School from 2005 to present and MD Check Iloilo Inc. from 2009 to present. She is one of the Founding Members / Board of Directors of Healthlink Iloilo (2005 to present), Iloilo Integrated School (2001 to present) and MD Check Iloilo Inc (2009 to present).

Dr. Samoro also served as Vice President of Philippine Obstetrical & Gynecological Society, Panay Chapter in 2013, and President of Philippine Obstetrical and Gynecological Society in 2014. She is a Past Treasurer in the Council of Presidents of ACE Medical Center. Presently, she is writing her thesis for Master of Arts in Hospital Administration at Cebu Doctor's College.

As one of the Directors of the Company, she had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021. She also attended a training for Best Practices in Corporate Housekeeping and another training on Corporate Governance In-House Training (Session 1: New Code of Corporate Governance for Public Companies and Registered Issuers; Session 2: Revised Corporation Code of the Philippines) both conducted by the Center for Global Best Practices on 21 -23 April 2021 and 16-17 July 2021 respectively.

Rolex T. Suplico was first elected as Director of the Company in October 2020. He is one of the country's foremost experts in telecommunications, radio and television broadcast and franchise laws. He is the President of Great Odysseus Security Agency, Inc. IKEA Philippines' exclusive security provider and R25 Manpower Services Corp., a manpower corporation. He is a founding member of the law firm of Suplico, Austria and Marbella which is engaged in the general practice of law with offices at 18B Pet Plans Tower, 444 EDSA, Makati City, Metro Manila. He served as Iloilo Vice Governor from 2007-2010. He was a Deputy Minority Leader of the House of Representatives and member of the Commission of Appointments from 2004-2007. From 1998-2007, he represented the Province of Iloilo's Fifth District as Congressman. He was also elected as Iloilo Provincial Board Member in 1995. He finished his AB Political Science at the College of Arts and Sciences at UP Diliman in 1983 and his Bachelor of Laws at the UP College of Law in 1989 and passed the 1989 Bar Examinations.

As one of the Directors of the Company, he had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Jerusha A. Comuelo, MD was first elected as Independent Director in October 2020. She is a Speaker/Reactor of different Philippine Pediatric Society Accredited Hospitals in Western Visayas Chapters and pharmaceutical and nutritional companies. Currently, she is the Chairperson of the Department of Pediatrics of West Visayas State University Medical Center and West Visayas State University College of Medicine. She has been the Treasurer of the Iloilo Neuroscience Group, Inc. since 2015. Dr. Comuelo had Pediatric Residency Training at West Visayas State University and served as Chief Resident during her year of training. Thereafter, she pursued subspecialty training in Pediatric Neurology at Philippine Children's Medical Center. She is a Life Member of the Philippine Medical Association and a member of Child Neuro Society of Philippines, Philippine League against Epilepsy and Ocean Oceanian of Child Neurology. She is working on her thesis for Master in Hospital Administration at Cebu Doctor's University.

As one of the Directors of the Company, she had attended the Corporate Governance Training conducted by PWC/Isla Lipana on 14 May 2021.

Ma. Teresa F. Debuque became an Independent Director in 26 August 2021. She is currently the Municipal Vice Mayor of Anilao, Iloilo. She served as the first woman President of the League of Municipalities of the Philippines-Iloilo Chapter in 2010-2013 and the first lady mayor of Anilao from 2007 to 2016. She has also been a mentor of the Local Government Academy of the Philippines for its Mentoring for Optimal Leadership and Development Program (MOLD) in 2016, a participant to the International Benchmarking Program of DILG on Federalism and Good Governance in 2017 at Washington DC, USA in 2017 and a panelist by the European and the Polish Presidencia of the Council of European Union during the European Development Days at Warsaw, Poland in 2011. She is a member of the Zonta Club Iloilo City II serving as its president from 2009 to 2013.

Vice Mayor Debuque is a graduate of BS Psychology, AB Economics and Bachelor of Laws of the University of San Agustin. She has earned units in Masters in Hospital Management from Cebu Doctors College.

She was awarded the Punong Bayan Award of Excellence by the League of Municipalities in 2010; Presidential Lingkod Bayan Regional Awardee/National Semi-Finalist by the Civil Service Commission in 2011; Gawad Parangal for Outstanding Local Chief Executive by the Association of Social Welfare and Development Officers of the Philippines in 2011; and the USA Alumni Achievement Award in the field of Government Service in 2014 by the University of San Agustin. Anilao under her leadership also became a multi-awarded local government unit from 2009-2016 receiving among others the Red Orchid Award from DOH, Seal of Good Housekeeping from DILG in 2010 and 2011, Gawad Pamana ng Lahi Award in 2012 and a Best Performing Local Government Unit of Region VI citations in 2009-2011 by the DILG.

As an Independent Director of the Company, she had attended the Roles, Responsibilities & Liabilities of Board of Directors conducted by the Center for Global Best Practices on November 19, 2021.

TERM OF OFFICE

Pursuant to the Company's By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies or is removed prior to election to such.

OFFICERS

The table below sets forth Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center – Iloilo, Inc.) executive officers in addition to its executive directors listedabove as of December 31, 2021.

Name	Age	Position	Citizenship	**Period during which individual has served as such**
Maylene B. Villanueva	41	Corporate Secretary/ Compliance Officer	Filipino	August 2019 to present February 2019 up to present
Elmer Z. Samoro	51	Chief Finance Officer	Filipino	February 2019 up to present
Gerald Joel C. Abonado	58	Hospital Administrator	Filipino	September 2019 to present

MAYLENE B. VILLANUEVA is the Corporate Secretary and Compliance Officer of the Company. She also serves as the Compliance Officer of Asia Pacific Medical Center – Aklan, Inc. She is the President of TIPP Digital Solutions, Inc. and a Managing Partner in Villanueva and Trasporto and Partners, a partnership engaged in the general practice of law. She is also the Acting President while concurrently serving as Vice President for Legal Affairs and Human Resource of Phil Pharmawealth Inc. and serves as Corporate Secretary of Quiklab Diagnostics, Inc., Aesthetica Manila Inc. and Smartlab Diagnostics Inc. She is also a current member of the Board of Trustees of the lloilo State College of Fisheries (ISCOF) representing the Private Sector. She is a Certified Compliance Officer by the Center for Global Best Practices, a Certified Data Protection Officer by the UP Open University and a Certified Level 2 Public Procurement Specialist by the GPPB -UP National Engineering Center program partnership. She was an active member of the Junior Chamber International Philippines and served the National Organization in various capacities such as being an Area Vice President for Area 4-Visayas in 2020, General Legal Counsel in 2019 and Regional Vice President for Western Visayas in 2016 after she served the local organization JCI Barotac Nuevo Tamasak as its (Revival) Chapter President for two years. She obtained her degrees in Law and Broadcast Communication from the University of San Agustin and the University Philippines in the Visayas respectively.

ELMER Z. SAMORO is the Chief Finance Officer of the Company. He is also the Chief Operating Officer of Healthlink (lloilo), Inc. His other previous employment was with Metropolitan Bank and Trust Company. He graduated from Central Philippine University in 1991 with a Commerce degree major in Accounting.

GERALD JOEL C. ABONADO is the Hospital Administrator of the Company. He was the Chief of Hospital of Ramon D. Duremdes District Hospital in Dumangas, lloilo from March 2017 to July 2019 and had been the Director of Administration of the Medical City lloilo from March 2012 to 2014 and Medical Director of Saviour International Hospital lloilo City from March 2009 to 2010. He is a member of Philippine College of Geriatric Medicine Specialty Board since October 2012 and Council Member of the Gerson Lerhman Group since November 2011. .

INDEPENDENT DIRECTORS

The independent directors of the Company as of 31 December 2021 are as follows:

1. Jerusha A. Comuelo
2. Ma. Teresa F. Debuque

SIGNIFICANT EMPLOYEES

The Company has no employee who is not an executive officer but who is expected to make a significant contribution to the business.

FAMILY RELATIONSHIPS

The Chief Finance Officer, Elmer Samoro is a brother-in-law respectively of Director Fredilyn G. Samoro.

On the other hand, the husband of Director Lusyl Gomez who is also the Assistant Corporate Secretary is the first cousin of the Corporate Treasurer Agnes Villaflor.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

Rolex Suplico, a Director is a defendant in a case filed against him while he was Vice Governor of Iloilo from 2007-2020. The case is People v. Suplico, et .al with SB-18-CRM-0051 for violation of Sec. 3 (e) of RA 3019 pending at the 5th Division of the Sandiganbayan

Presentation of Prosecution's evidence is still pending.

Item 10. Executive Compensation

Summary of Compensation Table

Annual Compensation

2021

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(e) Annual Bonus (P) (13TH month pay)	(f) Other Annual Compensation (Per Diem and other allowances)
Ferjenel G. Biron - Chairman and CEO	2021	1,000,000.00	83,333.33	186,000.00
A. Amado M. Lavalle Jr. - President	2021	480,000.00	40,000.00	288,000.00
B. Danilo C. Regozo - Executive Vice President	2021	140,000.00	11,666.67	364,000.00
C. Agnes Jean Villaflor Corporate Treasurer	2021	420,000.00	35,000.00	174,000.00
D. Maylene B. Villanueva - Corporate Secretary/ Compliance Officer	2021	840,000.00	70,000.00	-
E. All other officers and as a group named	2021	2,160,000.00	120,001.33	758,000.00

2020

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(e) Annual Bonus (P)	(f) Other Annual Compensation (Per Diem and other allowances)
Ferjenel G. Biron - Chairman and CEO	2020	1,200,000.00	100,000.00	298,000.00
A. Amado M. Lavalle Jr – Executive Vice President	2020	420,000.00	35,000.00	340,000.00
B. Agnes Jean Villaflor - Corporate Treasurer	2020	420,000.00	35,000.00	344,000.00
C. Maylene B. Villanueva - Corporate Secretary/Compliance Officer	2020	840,000.00	70,000.00	-
D. Fredilyn G. Samoro - Vice Chairman	2020	420,000.00	35,000.00	376,000.00
E All other officers and as a group named	2020	1,020,000.00	85,000.00	560,000.00

2019

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(e) Annual Bonus (P)	(f) Other Annual Compensation (Per Diem and other allowances)
CEO Ferjenel G. Biron	2019			600,000.00
A Amado Lavalle (Vice Chairman/ Executive Vice President)	2019			210,000.00
B Meride Lavilla (Corporate Secretary/Assistant Corporate Secretary)	2019			340,000.00
C Agnes Jean Villaflor (Treasurer)	2019			420,000.00
D Fredilyn G. Samoro (Vice Chairman)	2019			550,000.00
E All other officers and as a group named	2019			955,000.00

The individual rates of the Top four (4) Executive Directors as specified above was approved by the Board of Directors during the regular meeting last February 23, 2018 thru Board Resolution No. 2018- 02-04 to take effect in January 2019 and booked as payable to respective Officers and Directors subject to the availability of funds.

The salary provided for the Executive Directors of Asia Pacific Medical Center- Iloilo are as follows.

Chairman	Fifty Thousand Pesos (50,000)
President	Fifty Thousand Pesos (50,000)
Executive Vice President	Thirty Five Thousand Pesos (P 35,000.00)
Corporate Secretary	Thirty Five Thousand Pesos (P 35,000.00)
Corporate Treasurer	Five Thousand Pesos (P35,000.00)
Vice Chairman	Thirty Five Thousand Pesos (P35,000.00)

Asst. Secretary	Twenty Five Thousand Pesos (P25,000.00)
Asst. Treasurer	Twenty Five Thousand Pesos (P25,000.00)

The company approved a reasonable per diem of each board of director for every board meeting attended is P30,000.00 as specified and shall be effective on Jan. 1, 2019:

a. Regular and Special Board Meeting - P 10,000.00
b. Construction Meeting - P 10,000.00
c. Travel Allowance - P 10,000.00

Due to the COVID-19 Pandemic and the resulting travel restrictions, Board meetings had been conducted via remote communication. For this reason, Directors had not been entitled to travel allowance since April 2020.

OTHER ARRANGEMENTS

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly during 2019, 2020 and 2021 for any service provided as a director.

EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND EXECUTIVE OFFICERS

There are no special employment contracts between APMC Iloilo and the named executive officers.

WARRANTS AND OPTIONS HELD BY THE EXECUTIVES AND DIRECTORS

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

SIGNIFICANT EMPLOYEE

While the company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact in the business of the company. Other than the standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF RECORD AND BENEFICIAL OWNERS

As of 31 December 2021 the Company knows no one who beneficially owns in excess of 5% of the Company's common stock except set forth in the table below:

The following table shows the record and beneficial owners of more than 5% of the voting securities ofthe Company as of December 31, 2021

SECURITY OWNERSHIP OF MANAGEMENT

Class	Names / Address of Record Owner	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	Number of Shares Held	%to Total Outstanding Shares
Common Founder	Biron, Brandt Luke Q.	Biron, Brandt Luke Q. ./ Record Owner is alsoBeneficial Owner.	Filipino	21,890 10	9.33% 1.67%
Common Founder	Biron, Bryant Paul Q.	Biron, Bryant Paul Q. Record Owner is alsoBeneficial Owner.	Filipino	21,140 10	9.02% 1.67%
Common Founder	Biron, Braeden John Q.	Biron, Braeden John Q. ./ Record Owner is alsoBeneficial Owner.	Filipino	21,140 10	9.02% 1.67%
Common Founder	Biron, Ferjenel G./82 Firefly Cor Butterfly Streets, Valle Verde VI, Pasig City	Biron, Ferjenel G./ Record Owner is also Beneficial Owner.	Filipino	17,860 150	7.62% 25%

The following table shows the security ownership of management in the common shares of the Company as of December 31, 2021.

INDIVIDUAL DIRECTORS

Class	Names of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Founder	Biron, Ferjenel Firefly Cor Butterfly Streets, Valle Verde VI, Pasig City	17,860 - Direct 10 - Direct	Filipino	9.31%
Common Founder	Samoro, Fredilyn G.	6,884 - Direct 20 - Direct	Filipino	2.93%
Common Founder	(Samoro, Ronnie- Spouse)	3,452 - Indirect Total 10,336 10 - Indirect Total 30	Filipino	4.40%
Common Founder	Lavalle, Amado Jr.	3,758 - Direct 10 - Direct	Filipino	1.60%
Common Founder	Lavilla, Meride D·	3,758 - Direct 10 - Direct	Filipino	1.60%
Common Founder	(Lavilla, Francis G. – Spouse)	2,490 – Indirect Total 6,248 10 - Indirect Total 20	Filipino	2.66%
Common Founder	(Lavilla, Lou Valerie D. – Daughter)	300 – Indirect Total 6,568 0 – Indirect Total 20	Filipino	2.79%
Common Founder	(Lavilla, Francine Marie D. – Daughter)	300 - Indirect Total 6,848 0 – Indirect Total 20	Filipino	2.92%
Common		300 - Indirect Total 7,148		

Founder	(Lavilla, Meryll Faith D. – Daughter)	0 – Indirect Total 20	Filipino	3.04%
Common Founder	Regozo, Danilo M.	3,758 - Direct 10 - Direct	Filipino	1.60%
Common Founder	Villaflor, Agnes Jean M.	3,758 - Direct 10 - Direct	Filipino	1.60%
Common Founder	Gomez, Lusyl M:	3,370 - Direct 10 - Direct	Filipino	1.43%
Common Founder	Fernandez, Lemuel T.	2,030 - Direct 10 - Direct	Filipino	0.86%
Common Founder	Nolasco, Felix P.	2,340 - Direct 10 - Direct	Filipino	0.99%
Common Founder	Suplico, Rolex T.	1,990 - Direct 10 - Direct	Filipino	0.85%
Common Founder	Minerva, Ike T.	3,390 - Direct 10 - Direct	Filipino	1.44%
Common Founder	Dianco, Felibert	3,380 - Direct 10 - Direct	Filipino	1.44%
Common Founder	Comuelo, Jerusha	3,452 - Direct 10 - Direct	Filipino	1.47%
Common Founder	Debuque, Ma. Teresa F.	2,030 - Direct 10 - Direct	Filipino	0.86%

OTHER EXECUTIVE OFFICERS

Class	Names of Beneficial Owner	Amount and Nature ofBeneficial Ownership	Citizenship	Percent of Class
Common	Samoro, Elmer Z.	10-Direct	Filipino	0.0042%
Common	Villanueva, Maylene B.	10-Direct	Filipino	0.0042%

Except as disclosed above, none of the Company's other executive officers or department managers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

VOTING TRUST HOLDERS OF 5.0% OR MORE

As of 31 December 2021, there were no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

CHANGES IN CONTROL

On March to July 2021 Dr. Ferjenel G. Biron had acquired the following shares either through donation or assignment from the following founders:

NAME OF STOCKHOLDER-ASSIGNOR	NO. OF SHARES	DATE OF INSTRUMENT	%
1. Cerna Lopez	1,990 Common Shares, 10 Founder shares,	October 8, 2020	0.85%
2. Esmeralda Dela Rosa	470 common shares	March 1, 2021	0.19%
3. Evangeline Zozobrado	490 common shares	June 17, 2021	0.20%
4. Caesar D. Tongo	1,050 common shares	June 16, 2021	0.44%
TOTAL	4,000 common share, 10 Foundershares		1.70%

After the BIR CAR had been issued for the aforementioned shares, Ferjenel G. Biron acquired a total of 4,010 shares equivalent to an increase of 1.70% in his interest on the Company. This brought his total shares to 81,460 shares equivalent to 34.65% of the outstanding shares.

On September 15, 2021 his interest was decreased when he transferred a total of 63, 450 shares to his three sons who have been legally emancipated by way of Deed of Donation as follows:

NAME OF STOCKHOLDER-DONEE	NO. OF SHARES	DATE OF INSTRUMENT	%
1. Braeden John Q. Biron	21,140 Common Shares, 10 Founder shares	September 15, 2021	8.99%
2. Bryant Paul Q. Biron	21,140 Common Shares, 10 Founder shares,	September 15, 2021	8.99%
3. Brandt Luke Q. Biron	21,140 Common Shares, 10 Founder shares,	September 15, 2021	8.99%
TOTAL	63,420 common share, 30 Foundershares		26.99%

On November 2021 Dr. Ferjenel G. Biron had acquired the following shares by purchase from the following founders:

NAME OF STOCKHOLDER-ASSIGNOR	NO. OF SHARES	DATE OF INSTRUMENT	%
1. Caesar Tongo	2,340 Common Shares, 10 Founder shares	October 25, 2021	1%
2. Fernando Carlos	1,400 Common Shares,	October 8, 2021	0.59%
3. Evangeline Zozobrado	2,900 Common Shares, 10 Founder shares,	October 25, 2021	1.23%
TOTAL	6,640 Common share, 20 Foundershares		2.83%

The BIR CAR had been issued for the aforementioned shares, Ferjenel G. Biron had a total of 24,670 equivalent to 10.49% control of the Company.

The following founders and investors also acquired shares from their sellers/donors in the year 2021:

NAME OF SELLER/DONOR	NAME OF BUYER	NO. OF SHARES	DATE OF INSTRUMENT	%
Esmeralda Dela Rosa	Jerusha A. Comuelo	62 Common Shares	March 16, 2021	0.02%
Esmeralda Dela Rosa	Ma Teresa F. Debuque	40 Common Shares	February 22, 2021	0.01%
Esmeralda Dela Rosa	Amado M. Lavalle Jr.	62 Common Shares	February 22, 2021	0.02%

Esmeralda Dela Rosa	Fernandez Lemuel	40 Common Shares	March 1, 2021	0.01%
Esmeralda Dela Rosa	Danilo Regozo	62 Common Shares	February 22, 2021	0.02%
Esmeralda Dela Rosa	Fredilyn Samoro	124 Common Shares	March 16, 2021	0.05%
Esmeralda Dela Rosa	Ronnie Samoro	62 Common Shares	March 16, 2021	0.02%
Esmeralda Dela Rosa	Mary Flor Gafate Ong	62 Common Shares	March 16, 2021	0.02%
Miguel Antonio R. Enriquez	Francis G. Lavilla	10 Founder Shares 2,490 Common Shares	February 8, 2021	1.06%
Miguel Antonio R. Enriquez	Meryll Faith D. Lavilla	300 Common Shares	February 8, 2021	0.12%
Miguel Antonio R. Enriquez	Francine Marie D. Lavilla	300 Common Shares	February 8, 2021	0.12%
Miguel Antonio R. Enriquez	Lou Valerie D. Lavilla	300 Common Shares	February 8, 2021	0.12%
Ronald L. Ramiro	Amado M. Lavalle Jr.	306 Common Shares	September 3, 2021	0.13%
Ronald L. Ramiro	Danilo C. Regozo	174 Common Shares	September 3, 2021	0.07
Ronald L. Ramiro	Agnes Jean M. Villaflor	368 Common Shares	September 3, 2021	0.15%
Marilyn R. Enriquez	Ruben B. Ramirez	10 Founder Shares 2,540 Common Shares		1.08%
Ma. Gloria T. De Castro	Danilo C. Regozo	132 Common Shares	August 2, 2021	0.05%
	Meride D Lavilla	368 Common Shares	August 2, 2021	0.15%
Michael Edward Enriquez	Fredilyn G. Samoro	10 Founder Shares 3,390 Common Shares	February 8, 2021	1.44%
Maita C. Cruz	Brandt Luke Q. Biron	750 Common Shares	June 17, 2021	0.31%

Item 12. Certain
The aforementioned arrangements ceded control of the corporation from the Manila based founders to the Iloilo based founders as shares have been consolidated within their control.

Relationships and Related Transactions

In the normal course of· business, the Company transacts with companies/individuals, which are considered related parties . The following were carried out with related parties as at December 31, 2021 and 2020.

Category	Outstanding Balance 2019	Amount of Transaction 2020	Outstanding Balance 2020	Amount of Transaction 2021	Outstanding Balance 2021	Terms	Conditions
Receivable - Others (Various ACE Hospitals)	53,931	(6,459)	47,472	0	47,472	Non-Interest bearing to be collected in cash	Unsecured, unguaranteed, not impaired
Advances to Related Party	289,039,039	(256,975,836)	32,063,203	16,666	32,079,869	Non-Interest bearing to be collected in cash (a)	Unsecured, unguaranteed, not impaired
TIPP Digital Solution Inc.				3,515,904	3,515,904	Non-Interest bearing to be collected in cash (b)	Unsecured, unguaranteed, not impaired
	289,092,970	**(256,982,295)**	**32,063,203**	**3,532,570**	**35,595,773**		
Accounts Payable - Endure Medical, Inc.	22,032,294	(19,862,337)	2,169,957	8,369,521	10,539,478	Non-Interest bearing to be paid in cash	Unsecured, unguaranteed, not impaired

Loans Payable to Related Party			108,834,969	108,834,969		Interest bearing to be paid in cash (c)	Unsecured, unguaranteed, not impaired
Advances from Shareholders	260,878,684	(260,878,684)	0	0	0	Non-Interest bearing to be paid in cash (d)	Unsecured, unguaranteed, not impaired

(a) Advances to related party – Endure Medical, Inc.

The Company engaged the services of an indentor (Endure Medical, Inc.) which have relatively significant influence over a key management personnel of the Company. The Indentor facilitates the importation and acquisition of medical equipment, furniture and fixtures for the hospital allotment.

The foregoing is classified as a related party transaction(s) (pursuant to the condition set forth in PAS 24), wherein the key management personnel of Endure Medical, Inc. has significant influence over the Company and its key officer.

(b) Advances to related party – TIPP Digital Solutions Inc.

The account represents a 15% downpayment made for the acquisition of Healthcare Management Information System.

(c) Loans payable to a related party

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which have relatively significant influence over a key management personnel of the Company. The loan was incurred to use as payment of the interest with Land Bank of the Philippines (LBP). The loan bears an interest ranging from 4.50%-5.50% per annum and is payable subject to the availability of funds. Interest incurred during the year amounted to ₱1,274,363. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

(d) Advances from Shareholders

In a special meeting held last May 7, 2018, the Board of Directors and Shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development/construction of its medical structures and appurtenances.

In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

PART IV - CORPORATE GOVERNANCE

Item13. Corporate Governance

The Company endeavors to comply with the recommendations set forth in SEC Memorandum Circular No. 24 -Series of 2019. It is committed to a strong corporate governance with transparency and accountability as its hallmarks.

On January 27, 2019, during its first meeting after the issuance of the Permit to Offer Securities, the Board of Directors appointed its Compliance Officer as an initial step in ensuring that it will adhere to the highest standards of good governance. The Company submitted its Manual on Corporate Governance on 27 June 2019.

On 30 September 2020, the Company submitted its Revised Manual on Corporate Governance. It substantially adopted in its Manual on Corporate Governance all of the recommendations under SEC Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers (CG Code for PCs and Rls).

In 2021, the Company has established an Assessment Survey by the Board of Directors and Board Committees. This evaluation system aims to measure and determine the level of compliance of the Board of Directors and top-level management with its Revised Manual on Corporate Governance. The Board Performance Assessment which is accomplished by the BOD indicates compliance ratings. It is submitted to the Compliance Officer who evaluates compliance with the Revised Manual on Corporate Governance.

The minor deviations from the recommendations of the CG Code for PCs and Rls such as the Corporate Secretary and Compliance Officer being one and the same person, the Executive directors being more than non-executive directors and having three (3) Independent Directors instead of five (5) were necessitated by the fact that the company is just about to operate and there is a need to tighten the purse that is achieved by having a lean manpower in preparation for pre-operation expenses. As soon as it commences operation, the Company will ensure that it is fully compliant with all the recommendations.

To ensure good governance, the Company had its new CEO attend the Professional Directors Program conducted by the Institute of Corporate Directors. With the new CEO properly trained, the Board is scheduled to revisit its vision, strategic objectives, key policies and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance before it commences operation. The Board also makes certain the presence and adequacy of internal control mechanisms for good governance.

The Company is taking further steps to strengthen adherence principles and practices of corporate governance by sending its Directors in various trainings and programs conducted by the Institute of Directors and Center for Global Best Practices.

PART V - EXHIBITS AND. SCHEDULES

(a) Exhibits

The 2021 Audited Financial Statements is attached as **Annex "A"** hereto.

(b) Reports on Form 17 C

A summary list of the reports on Form 17-C filed for the year 2021 is attached as **Annex "B".**

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Quezon City on 13 MAY 2022

By:

ELMER Z. SAMORO Chief Finance Officer	AGNES JEAN M. VILLAFLOR Corporate Treasurer
AMADO M. LAVALLE JR. President	JOSE JEFFREY JOVER Accounting Manager
FERJENEL G. BIRON Chairman	MAYLENE VILLANUEVA Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13 day of MAY 2022 affiant(s) exhibiting to me his/their Valid IDS, as follows:

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
MAYLENE B. VILLANUEVA	P3513874A	June 28, 2017	Manila

Doc. No.: 418
Page No.: 84
Book No.: XVII
Series of 2022

JENNA MAE VALERIE L. RANONG
Notary Public for Quezon City
Attorney's Roll No. 60846; 03-26-12
IBP Membership No. 167398; 11-17-2021; Quezon City
PTR No. 2185416; 01/05/2022; Quezon City
Admin Matter No. 004(2020-2021); B.M.No.3795
MCLE Compliance No. VI-0028020; 04-14, 2022
Commission expires on June 30, 2022

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Iloilo on MAY 13 2022, 2022.

By:

ELMER Z. SAMORO
Chief Finance Officer

AGNES JEAN M. VILLAFLOR
Corporate Treasurer

AMADO M. LAVALLE JR.
President

JOSE JEFFREY JOVER
Accounting Manager

FERJENEL G. BIRON
Chairman

MAYLENE VILLANUEVA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 13 2022 day of ________ 2022 affiant(s) exhibiting to me his/their Valid IDS, as follows:

NAMES	VALID ID	DATE OF ISSUE/ VALID UNTIL	PLACE OF ISSUE
AMADO M. LAVALLE JR.	PRC#0068822	Feb.01, 2024	Iloilo City
FERJENEL G. BIRON	TIN#127-685-650	June 28, 2017	Manila
AGNES JEAN M. VILLAFLOR	PRC#0070893	Aug.16, 2024	Iloilo City
ELMER Z. SAMORO	LTO Lic#F03-95-094300	June 28, 2024	Iloilo City
JOSE JEFFREY JOVER	LTO Lic#F03-19-003409	March 08, 2024	Iloilo City

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Book No. VII
Series of 2022

ATTY. RODOLFO B. POLLENTES, JR.
Notary Public
For the City and Province of Iloilo
Until June 30, 2022 as per B.M. No. 3795
Notarial Comm. Reg. No. 124, 09/02/2020
2nd Floor Rosary Building, Iznart St., Iloilo City
IBP Receipt No. 168378, 12/22/2021, Iloilo City
PTR No. 7686619, 01/03/2022, Iloilo City
MCLE Compliance No VI-0003771
Attorney's Roll No. 37532

The following document has been received:

Receiving: MILFRED PAYAO
Receipt Date and Time: April 19, 2022 09:01:09 AM

Company Information

SEC Registration No.: CS201423954
Company Name: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ILOILO INC.
Industry Classification: N85122
Company Type: Stock Corporation

Document Information

Document ID: OST10419202228305907
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Annual
Remarks: None

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	4	2	3	9	5	4

COMPANY NAME

ASIA PACIFIC MEDICAL CENTER - ILOILO, INC. (FORMERLY: ALLIED (FORMERLY: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ILOILO INC.)

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

BRGY. UNGKA, JARO ILOILO CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
acemciloilo@yahoo.com		321-5748

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
2,245	Third Sunday of April	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
AGNES JEAN M. VILLAFLOR, M.D.	jean4bong@icloud.com	326-01-59	09176244716

CONTACT PERSON's ADDRESS

Lot 6 Block 2 Sacred Heart Subdivision Hibao an, Manduriao, Iloilo City

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

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

ASIA PACIFIC
MEDICAL CENTER
ILOILO
BRGY. UNGKA, JARO, ILOILO CITY, PHILIPPINES 5000

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019, in accordance with the Philippine Financial Reporting Standards (PFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Dimaculangan, Dimaculangan and Company, CPAs, the independent auditor who were appointed by the stockholders for December 31, 2021, 2020 and 2019, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature ____________________
Dr. Ferjenel G. Biron
Chairman of the Board

Signature ____________________
Dr. Amado M. Lavalle, Jr.
President

Signature ____________________
Elmer Z. Samoro
Chief Financial Officer

Signed this 28 day of March 2022

SUBSCRIBED AND SWORN to me before this MAR 28 2022 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Dr. Ferjenel G. Biron	TIN 127-685-650-000		
Dr. Amado M. Lavalle, Jr.	TIN 123-703-627-000		
Elmer Z. Samoro	TIN 151-370-500-000		

Doc. No. 100
Page No. 21
Book No. XIV
Series of 2022

ATTY. [illegible] B. MOMBAY
[illegible] PUBLIC
NOT. COMM. REG. NO. [illegible] until December 31, 2021
(Extended to June 30, 2022 by BM 3795)
Roll No. 672[illegible]
IBP No. 19573[illegible] 04, 2022 / Manila
PTR No. 7[illegible] 04, 2022 / Iloilo City
MCLE [illegible] VI-0010225
[illegible] Office
Unit 1, 3F, Rosary Build[illegible] St., Iloilo City
Cel No. 09359141717

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph (eafs@bir.gov.ph)

To: acemci.acctg@yahoo.com

Cc: acemci.acctg@yahoo.com

Date: Monday, April 18, 2022, 04:05 PM GMT+8

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

Valid files

- EAFS008922703RPTTY122021.pdf
- EAFS008922703AFSTY122021.pdf
- EAFS008922703ITRTY122021.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MTYPQXN10C99K9K7GQMSXVZ1Y0CK5KK9BF**
Submission Date/Time: **Apr 18, 2022 03:15 PM**
Company TIN: **008-922-703**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Asia Pacific Medical Center – Iloilo, Inc.

(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)

Financial Statements
As at December 31, 2021 and 2020 and
for the years ended December 31, 2021, 2020 and 2019

and

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
Brgy. Ungka, Jaro Iloilo City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020 and 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of the Matter

As discussed in Note 1 of the financial statements, the Company is still in its pre-commercial operation stage as at December 31, 2021. Its main activities are limited to the construction of the hospital building which is currently in progress.

The accumulated deficit amounting to ₱145,648,293 and ₱110,641,666 as at December 31, 2021 and 2020, respectively, represent various general and administrative expenses actually incurred by the Company while it is still in its pre-operating stage. It is expected to generate positive result upon commencement of its commercial operations.

Key Audit Matters

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

As of December 31, 2021, we have determined that there are no key audit matters to communicate in our report.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010, 19-2020 and 34-2020

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010, 19-2020 and 34-2020 is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Report on Additional Components of the Financial Statements

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.** *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* (the "Company") as at and for the year ended December 31, 2021 and have issued our report thereon dated March 27, 2022. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules required by paragraph 7, Part II of the Revised Securities Regulation Code (SRC) Rule 68 (Annex 68-J), Reconciliation of Retained Earnings Available for Dividend Declaration, and Schedule of Financial Soundness Indicators are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised SRC Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

For the firm: DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S

MARIA TERESITA ZUNIGA-DIMACULANGAN
Partner
CPA Certificate No. 0036077
BOA Registration No. 0416, effective until March 19, 2024
SEC Accreditation No. 1777-A (Group B), effective until September 09, 2022
BIR Accreditation No. 08-002906-000-2020, effective until April 13, 2023
Tax Identification No.133-451-815
PTR No. MKT 8873832, January 21, 2022

March 27, 2022
Makati City
Philippines

RDO NO. 74 ILOILO CITY COLLECTION SECTION
BUREAU OF INTERNAL REVENUE
RECEIVED
APR 27 2022
SHIENA MARIE G. BARON
CODE:
INITIAL:

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Peso)

		As of December 31,	
ASSETS	*Notes*	**2021**	2020
CURRENT ASSETS			
Cash	*6*	**14,514,332**	48,022,046
Receivable - others		**3,237,553**	140,652
Advances to a related party	*8,13*	**35,595,773**	32,063,203
Advances to contractors	*7*	**55,086,837**	46,605,879
Advances to suppliers	*7*	**6,671,744**	7,022,271
Prepayments and other current assets		**326,013**	213,858
		115,432,252	134,067,909
NON-CURRENT ASSETS			
Property and equipment (net)	*8*	**417,804,618**	412,944,976
Intangible assets (net)		**8,333**	-
Construction-in-progress	*9*	**1,357,724,224**	1,215,428,067
Other non-current assets		**5,015,171**	5,015,228
		1,780,552,346	1,633,388,271
TOTAL ASSETS		**1,895,984,598**	1,767,456,180

LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and other liabilities	*10*	**87,252,859**	96,662,087
Loans payable to individuals	*11*	**23,000,000**	30,343,471
Notes payable - current portion	*12*	**35,055,603**	19,393,250
Loans payable to a related party	*13*	**108,834,969**	-
Income tax payable	*17*	**-**	228
		254,143,431	146,399,036
NON-CURRENT LIABILITIES			
Notes payable - net of current portion	*12*	**826,262,841**	856,996,830
TOTAL LIABILITIES		**1,080,406,272**	1,003,395,866
EQUITY			
Share capital (net)	*14*	**235,060,000**	221,234,000
Share premium	*14*	**726,166,619**	653,467,980
Deficit	*1*	**(145,648,293)**	(110,641,666)
		815,578,326	764,060,314
TOTAL LIABILITIES AND EQUITY		**1,895,984,598**	1,767,456,180

(The accompanying Notes to Financial Statements are an integral part of these Financial Statements)

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in Philippine Peso)

	Notes	For the years ended December 31, 2021	2020	2019
REVENUE		-	-	-
DIRECT COST		-	-	-
GROSS PROFIT		-	-	-
OTHER INCOME (CHARGES)	*6,15,17*	**22,133**	107,317	(81,557)
GROSS INCOME		**22,133**	107,317	(81,557)
GENERAL AND ADMINISTRATIVE EXPENSES	*16*	**19,051,323**	29,646,352	25,724,989
LOSS FROM OPERATIONS		**(19,029,190)**	(29,539,035)	(25,806,546)
FINANCE COST	*12,13*	**15,977,437**	13,830,175	11,456,490
NET LOSS BEFORE INCOME TAX		**(35,006,627)**	(43,369,210)	(37,263,036)
INCOME TAX EXPENSE	*17*	-	-	-
NET LOSS FOR THE YEAR		**(35,006,627)**	(43,369,210)	(37,263,036)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(35,006,627)**	(43,369,210)	(37,263,036)
BASIC LOSS PER SHARE	*18*	**(148.93)**	(184.53)	(161.21)

(The accompanying Notes to Financial Statements are an integral part of these Financial Statements)

RDO NO. 74 ILOILO CITY COLLECTION SECTION
BUREAU OF INTERNAL REVENUE
RECEIVED
APR 2 7 2022
SHIENA MARIE G. BARON
CODE:
INITIAL:

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CHANGES IN EQUITY
(Amounts in Philippine Peso)

	Share Capital (Note 14)	Share Premium (Note 14)	Deficit (Note 1)	Total
EQUITY				
As at January 1, 2019	141,000,000	-	(30,009,420)	110,990,580
Additional share capital	27,150,000	-	-	27,150,000
Share premium	-	226,900,000	-	226,900,000
Net loss for the year	-	-	(37,263,036)	(37,263,036)
As at December 31, 2019	168,150,000	226,900,000	(67,272,457)	327,777,544
Additional share capital	53,084,000	-	-	53,084,000
Share premium	-	426,567,980	-	426,567,980
Net loss for the year	-	-	(43,369,210)	(43,369,210)
As at December 31, 2020	**221,234,000**	**653,467,980**	**(110,641,666)**	**764,060,314**
Additional share capital	**13,826,000**	**-**	**-**	**13,826,000**
Share premium	**-**	**72,698,639**	**-**	**72,698,639**
Net loss for the year	**-**	**-**	**(35,006,627)**	**(35,006,627)**
As at December 31, 2021	**235,060,000**	**726,166,619**	**(145,648,293)**	**815,578,326**

(The accompanying Notes to Financial Statements are an integral part of these Financial Statements)

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

	Notes	2021	2020	2019
		For the years ended December 31,		
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss before income tax		**(35,006,627)**	(43,369,210)	(37,263,035)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	*8*	**502,103**	422,948	305,461
Amortization	*16*	**41,667**	-	-
Interest income	*6,15,17*	**(22,133)**	(95,937)	(97,953)
Interest expense	*12,13*	**(15,977,437)**	(13,830,175)	(11,456,490)
Operating cash outflows before changes in working capital		**(50,462,427)**	(56,872,374)	(48,512,018)
Changes in working capital components:				
Decrease (increase) in current assets:				
Short term investments		**-**	-	10,218,347
Receivable - others		**(3,096,901)**	27,270	5,048,250
Advances to a related party	*8,13*	**(3,532,570)**	256,975,836	(38,711,983)
Advances to contractors	*7*	**(8,480,958)**	(15,650,188)	(6,731,339)
Advances to suppliers	*7*	**350,527**	(3,506,367)	(3,515,904)
Prepayments and other current assets		**(112,155)**	(21,552)	30,100
Increase (decrease) in current liabilities:				
Accounts payable and other liabilities	*10*	**(14,595,909)**	29,152,016	39,593,263
Net cash provided by (used in) operations		**(79,930,393)**	210,104,641	(42,581,284)
Income tax paid	*17*	**(171)**	-	-
Interest received	*6,15,17*	**22,133**	95,937	97,953
Net cash provided by (used in) operating activities		**(79,908,431)**	210,200,578	(42,483,331)

Balance forwarded

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.
(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)
STATEMENTS OF CASH FLOWS
(Amounts in Philippine Peso)

	Notes	For the years ended December 31, 2021	2020	2019
Forwarded balance				
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to construction-in-progress	9	**(137,109,476)**	(222,184,441)	(405,769,400)
Additions to property and equipment	8	**(5,361,745)**	(259,986,723)	(59,630,468)
Additions to intangible assets		**(50,000)**	-	-
Proceeds from sale of hospital equipment	9	-	2,536,875	-
Collection of loans receivable		-	-	37,000,000
Increase in other non-current asset		-	(4,790,000)	(210,000)
Net cash used in investing activities		**(142,521,221)**	(484,424,289)	(428,609,868)
CASH FLOWS FROM FINANCING ACTIVITIES				
Additional share capital	14	**13,826,000**	53,084,000	27,150,000
Additional share premium	14	**72,698,639**	426,567,980	226,900,000
Payments of principal on bank loans	12	**(15,071,636)**	-	-
Proceeds from bank loan	12	-	119,177,600	253,062,480
Payments of loans payable to individuals	11	**(7,343,471)**	(44,906,529)	-
Proceeds of loans to a related party	13	**108,834,969**	-	-
Payments of advances from shareholders	13	-	(260,878,684)	(79,995,224)
Interest paid	12,13	**15,977,437**	13,830,175	11,456,490
Net cash provided by financing activities		**188,921,938**	306,874,542	438,573,746
NET INCREASE (DECREASE) IN CASH		**(33,507,714)**	32,650,831	(32,519,453)
CASH, beginning of the year		**48,022,046**	15,371,215	47,890,668
CASH, end of the year	6	**14,514,332**	48,022,046	15,371,215
NONCASH INVESTING ACTIVITIES				
Accrued interest payable	10	**5,186,681**	-	-
Additions to construction-in-progress	9	**(5,186,681)**	-	-
		-	-	-

(The accompanying Notes to Financial Statements are an integral part of these Financial Statements)

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC.

(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019
(Amounts in Philippine Peso)

NOTE 1 - CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

ASIA PACIFIC MEDICAL CENTER – ILOILO, INC. *(Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.)* (the "Company") was incorporated as a domestic corporation under Philippine laws and was duly registered with the Securities and Exchange Commission (SEC) under registration no. CS201423954 on December 10, 2014.

On August 2, 2021, the Securities and Exchange Commission approved the Company's amendment of its corporate name to Asia Pacific Medical Center – Iloilo, Inc.

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

On December 27, 2018, the SEC En Banc under SEC MSRD Order No.37 approved effective the registration statement of the Company for 240,000 shares broken down as follows: the primary offering to be sold by way of initial public offering for 36,000 shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from ₱250,000 up to ₱400,000 per block. Issued and outstanding Founder shares (600) and common shares (203,400) are not included in the offer. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

The registered office of the Company was also amended from 2nd floor, Iloilo Medical Society Building, Luna Street, Brgy. Bantud, Lapaz, Iloilo City to Brgy. Ungka, Jaro Iloilo City, where the hospital construction site is located.

Status of Operations

Currently, the Company is constructing a multidisciplinary medical facility (hospital) which was expected to be fully completed by December 2018. However, due to circumstances beyond the control of Management, this was moved to second half of 2022 in which the hospital is estimated to be fully completed and operational.

The Company has incurred an accumulated deficit of ₱145,648,293 and ₱110,641,666 as at December 31, 2021 and 2020, respectively, as a result of various general and administrative expenses incurred while the Company is still in its pre-commercial operation stage. It is expected to generate positive result upon commencement of its commercial operations.

NOTE 2 - FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretation Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

Basis of Preparation and Presentation

These financial statements have been prepared on the historical cost basis, except when otherwise stated.

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's financial statements are presented in Philippine Peso (₱), which is the Company's functional and presentation currency. All values are rounded off to the nearest peso, except when otherwise indicated.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Adoption of New and Revised Accounting Standards Effective in 2021

The Company adopted all applicable accounting standards and interpretations as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed by the Management to be applicable to the Company's financial statements as follows:

Amendments to PFRS 16, COVID-19-Related Rent Concessions beyond June 30, 2021.

In March 2021, the IASB issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19- related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and
c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.

Management of the Company has assessed that the adoption of the amendment has no impact on the Company's financial statements as the Company does not have COVID-19-related rent concessions.

PIC Q&A No. 2020-07, PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill.

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements for the year ended December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the FS.

For the financial statements ended December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense (income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes"
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021. Management's assessment on the impact of this interpretation to the Company's financial statements is incorporated in Note 17. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT). Deferred tax assets as at December 31, 2021 were remeasured using 25% RCIT.

Standards Issued but not yet Effective:

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

Amendments to PFRS 3, *References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendments will not have an impact on the Company's financial statements as the Company does not plan to enter into business combination.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statements of comprehensive loss, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statements of comprehensive loss include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – *Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PFRS 9 – ***Fees in the '10 percent' test for derecognition of financial liabilities***

The amendment clarifies that in applying the '10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PAS 41 – ***Taxation in fair value measurements***

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Effective Beginning on or after January 01, 2023

Amendments to PAS 1, ***Classification of Liabilities as Current or Non-current***

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statements of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or service.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Management is still evaluating the impact of the amendments on the Company's financial statements.

PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
  - ➢ a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  - ➢ an amount representing the unearned profit in the group of contracts (the contractual service margin)
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the standard will not have a significant impact on the Company's financial statements as the Company does not issue insurance contracts.

Deferred Effectivity

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

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

Management is still evaluating the impact of the amendments on the Company's financial statements.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:

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

The Company classifies all other assets as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Company also modifies classification of prior year amounts to conform to current year's presentation.

Fair Value Measurement

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

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible to the Company.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

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

"Day 1" Difference
Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where

there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Financial assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument)
- financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash (excluding petty cash fund), receivable – others and other non-current assets (excluding deferred tax assets) as at reporting dates.

Financial assets fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation, if any, and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit and loss.

The Company does not have debt instruments designated at fair value through OCI as at reporting dates.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 – *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as recovery of part of the cost of the financial assets, in which case, such gains are recovered in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have equity instruments designated at fair value through OCI (FVOCI) as at reporting dates.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statements of profit or loss when the right of payment has been established.

The Company does not have financial assets at fair value through profit or loss as at reporting dates.

Derecognition

The financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risk and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' agreement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification

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

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

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

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

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

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

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

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss is required for credit expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full or in part before taking into account any credit enhancements held by the Company. A financial asset is written off in full or in part when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Financial assets are written-off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

<u>Financial liabilities at fair value through profit or loss</u>
Financial liabilities at fair value through profit or loss are designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

The Company has not designated any financial liability at fair value through profit or loss at the end of each reporting period.

Financial liabilities at amortized cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Finance cost" in the statements of comprehensive loss.

This category generally applies to accounts payable and other liabilities (excluding government liabilities), loans payable to individuals, loans to a related party and notes payable (see Notes 10, 11, 12 and 13).

Derecognition

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

Fair Value Option

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Company assesses that it has currently enforceable right to offset if the right is not contingent on a future event and is legally enforceable in the event of insolvency or bankruptcy of the Company and all of the counterparties.

Cash

Cash in the statements of financial position comprise of cash in banks and on hand that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Advances

Advances to related parties, advances to contractors and advances to suppliers are payments made in advance, such as down payments for a contractual project and acquisition of equipment. Advances are initially recorded at the amount of cash paid. These will be subsequently reclassified to property and equipment upon completion of the project and/or once the equipment is actually or constructively delivered.

Receivable – others on the other hand, is recognized if an amount of consideration that is unconditional is due from a related party (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets earlier discussed.

Prepayments and Other Current Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets represent assets of the Company which are expected to be realized or consumed within one year or within the Company's normal operating cycle whichever is longer. Other current assets are measured initially and subsequently presented in the financial statements at cost.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment consists of:

- its purchases price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to an item of property and medical and hospital equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

At the end of each reporting period, items of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses. Land is carried at cost less any impairment in value. Land is not depreciated.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment shall be derecognized upon disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their costs, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statements of comprehensive loss.

Fully depreciated and fully amortized assets are retained by the Company as part of property and equipment until these are derecognized or until they are no longer in use.

Intangible Assets

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization and any accumulated impairment loss. These are amortized using the straight–line method. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

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

Construction-in-progress

Construction-in-progress is stated at cost. This includes the costs related to the construction of the hospital building and installation of medical equipment, property development costs and other direct costs. Cost of borrowings and any additional costs incurred in relation to the project are recognized in this account. Construction-in-progress is not depreciated until such time that the relevant assets are completed and ready for its intended use.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from the construction project is charged to operations during the period in which the loss is determined.

Impairment of Non-Financial Assets

At each reporting dates, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from the other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

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

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue cost.

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

Share premium
Share premium is the difference between the issue price and the par value of the stock and is known as securities premium. The shares are said to be issued at a premium when the issue price of the share is greater than its face value or par value.

Deficit
Deficit represents accumulated losses incurred by the Company. Deficit may also include effects of changes in accounting policy as may be required by the standard's transitional provision.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Service income from hospital services
The Company renders primary healthcare services to its patients over a single period of time in the ordinary course of business. Revenue is recognized as the services are provided.

Sale of medical goods
Revenue from sale of goods is recognized at point in time when control of the asset is transferred to the customer.

The Company does not have revenues from hospital services nor sale of medical goods since it is still in its construction stage, thus, not yet in commercial operations as at December 31, 2021.

Other Revenues

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

Other income
Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive loss are presented using the function of expense method. General and administrative expenses constitute costs attributable to general, administrative, and other business activities of the Company and are expensed as incurred.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by its employees.

Short-term Benefits
Short-term employee benefits are those benefits expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Short-term benefits given by the Company to its employees include salaries and wages, social security, health insurance and housing contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement or Post-employment Benefits
The Company is subject to the provisions of Republic Act No. 7641 (known as the Retirement Law). This requires that in the absence of a retirement plan, an agreement providing benefits for retiring employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in service, may retire and shall be entitled to a retirement pay equivalent to at least ½ month's salary for every year of service, fraction of at least 6 months being considered as 1 whole year. The current service cost is the present value of benefits, which accrue during the last year.

As at reporting dates, the Company has not yet established a Retirement Benefits Plan for its employees since no employee is entitled to date.

Borrowing costs

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

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

Foreign Currency Translations

Translations denominated in foreign currencies are initially recorded using the exchange rates prevailing at transaction dates. Foreign currency-denominated monetary assets and liabilities are translated using the closing exchange rates at reporting dates. Exchange gains or losses arising from foreign currency translations are credited to or charges against current operations.

Leases

The Company determines whether arrangements contain a lease to which lease accounting must be applied. The costs of the agreements that do not take the legal form of a lease but convey the right to use an asset are separated into lease payments if the entity has the control of the use or access to the asset, or takes essentially all of the outputs of the asset. The said lease component for these arrangements is then accounted for as finance or operating lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computations of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting dates and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Earnings (Loss) per Share

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

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

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statements of comprehensive loss, net of any reimbursement.

Contingent liabilities are not recognized in the Company financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Company financial statements.

Events after the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

NOTE 5 - CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments in Applying the Company's Accounting Policies

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

Business Model Assessment

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

Significant Increase of Credit Risk

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

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso (₱). It is the currency that mainly influences the Company's operations.

Classification of Financial Instrument

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Determination of Whether a Lease is a Finance or Operating Lease

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

<u>Operating Lease Commitments – Company as Lessee</u>

Based on Management evaluation, the lease arrangements entered into by the Company as a lessee are accounted for as operating leases because the Company has determined that the lessor will not transfer the ownership of the leased assets to the Company upon termination of the lease.

Recognition of Deferred Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. Recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary difference can be applied.

Impairment of Non-Financial Assets

Property and equipment is periodically reviewed to determine any indications of impairment. Though the management believes that the assumptions used in the estimation of fair values are reasonable and appropriate, significant changes in these assumptions may materially affect the assessment of the recoverable amounts and any resulting impairment loss could have a material adverse effect in the results of operations.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 4, subheading "*Provisions and Contingencies*."

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Assessment for ECL on Other Financial Assets at Amortized Cost

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

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized as at December 31, 2021 and 2020.

The carrying amounts of other financial assets at amortized cost are as follows:

	2021	2020
Cash in banks	**14,484,332**	47,992,046
Receivable - others	**3,237,553**	140,652
Other non-current assets*	**5,015,000**	5,015,000
	22,736,885	53,147,698

**excluding deferred tax assets amounting to ₱171 and ₱228 as at December 31, 2021 and 2020, respectively.*

Assessment for Impairment of Non-financial Assets

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

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

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

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

No impairment loss on non-financial assets was recognized as at December 31, 2021 and 2020.

The carrying amounts of non-financial assets are as follows:

	2021	2020
Advances to related parties	**35,595,773**	32,063,203
Advances to contractors	**55,086,837**	46,605,879
Advances to suppliers	**6,671,744**	7,022,271
Property and equipment (net)	**417,804,618**	412,944,976
Intangible assets (net)	**8,333**	–
Construction-in-progress	**1,357,724,224**	1,215,428,067
	1,872,891,529	1,714,064,396

Estimating useful lives of assets

The Company estimates the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and intangible assets would increase recorded operating expenses and decrease non-current assets.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

Categories	Estimated Useful Life
Office equipment	3 - 5 years
Medical equipment	5 years
Hospital equipment	5-10 years
Kitchen Tools	3-5 years
Books/Periodicals	3 years

As at December 31, 2021 and 2020, the Company's property and equipment had carrying amounts of ₱417,804,618 and ₱412,944,976, respectively, as disclosed in Note 8.

Amortization of intangible is calculated on a straight-line basis over 1 year. As at December 31, 2021, the Company's intangible assets has a carrying amount of ₱8,333.

Asset impairment other than goodwill

The Company performs an impairment review when certain impairment indicators are present.

Determining the recoverable amount of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

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

As at December 31, 2021 and 2020, Management believes that the recoverable amounts of the Company's property and equipment approximate its carrying amounts. Accordingly, no impairment loss was recognized in both years.

Deferred tax assets

The Company reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company has recognized net deferred tax assets amounting to ₱171 and ₱228 as at December 31, 2021 and 2020 (see Note 17).

Deferred tax assets with full valuation allowance as at December 31, 2021, 2020 and 2019 amounted to ₱28,866,042, ₱29,853,239 and ₱19,407,828, respectively (see Note 17).

NOTE 6 - CASH

This account consists of:

	2021	2020
Petty cash fund	**30,000**	30,000
Cash in banks	**14,484,332**	47,992,046
	14,514,332	48,022,046

Cash includes petty cash fund and in banks that are unrestricted and available for current operations. This is stated in the statements of financial position at face amount.

Cash in banks generally earn interest at the prevailing bank's deposit rates. Interest earned from bank accounts amounted to ₱22,133, ₱95,937 and ₱97,953 in 2021, 2020 and 2019, respectively, and is presented as part of "other income (charges)" in the statements of comprehensive loss (see Note 15).

Unrealized foreign exchange loss resulting from translation of foreign currency-denominated cash in bank into Philippine peso amounted to ₱179,510 in 2019 and is presented as part of "other income (charges)" in the statements of comprehensive loss (see Note 15).

NOTE 7 - ADVANCES TO CONTRACTORS AND SUPPLIERS

This account consists of:

	2021	2020
Advances to contractors[1)]	**55,086,837**	46,605,879
Advances to suppliers[2)]	**6,671,744**	7,022,271
	61,758,581	53,628,150

1) Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings.

2) Advances to supplier are down payments made to suppliers of medical equipment and/or construction materials ordered. The amounts represent 15% - 50% of the total contract price of the items purchased.

NOTE 8 - PROPERTY AND EQUIPMENT (net)

Reconciliation of property and equipment (net) as at December 31, 2021 is as follows:

	Land	Office Equipment	Medical Equipment	Hospital Equipment	Kitchen Tools	Books/ Periodicals	Total
Cost:							
At beginning of year	28,291,630	2,594,493	291,678,238	90,921,038	473,521	6,395	413,965,315
Additions	–	250,910	546,500	3,992,944	566,241	5,150	5,361,745
Disposal	–	(2,451)	–	–	–	–	(2,451)
At end of year	**28,291,630**	**2,842,952**	**292,224,738**	**94,913,982**	**1,039,762**	**11,545**	**419,324,609**
Accumulated depreciation:							
At beginning of year	–	1,018,208	–	–	–	2,131	1,020,339
Depreciation	–	499,772	–	–	–	2,331	502,103
Disposal	–	(2,451)	–	–	–	-	(2,451)
At end of year	–	**1,515,529**	–	–	–	**4,462**	**1,519,991**
Net carrying value, December 31, 2021	**28,291,630**	**1,327,423**	**292,224,738**	**94,913,982**	**1,039,762**	**7,083**	**417,804,618**

Reconciliation of property and equipment (net) as at December 31, 2020 is as follows:

	Land	Office Equipment	Medical Equipment	Hospital Equipment	Kitchen Tools	Books/ Periodicals	Total
Cost:							
At beginning of year	28,291,630	1,685,877	67,485,393	58,572,651	473,521	6,395	156,515,467
Additions	–	908,616	224,192,845	34,885,262	–	–	259,986,723
Disposal	–	–	–	(2,536,875)	–	–	(2,536,875)
At end of year	28,291,630	2,594,493	291,678,238	90,921,038	473,521	6,395	413,965,315
Accumulated depreciation:							
At beginning of year	–	597,213	–	–	–	178	597,391
Depreciation	–	420,995	–	–	–	1,953	422,948
At end of year	–	1,018,208	–	–	–	2,131	1,020,339
Net carrying value, December 31, 2020	28,291,630	1,576,285	291,678,238	90,921,038	473,521	4,264	412,944,976

Depreciation on kitchen tools, medical and hospital equipment shall commence when it is available for use – when it is in the location and condition necessary to be capable of operating in the manner intended by the Management.

The medical equipment have been paid in full and already recorded in the books. However, the same is still stored in the warehouse of the supplier awaiting delivery upon completion of the Company's hospital building. These are subject of a chattel mortgage as disclosed in Note 12.

The Company has a total contract commitment to purchase medical equipment totaling ₱454,370,959 as of December 31, 2021. Advances to related parties amounting to ₱35,595,773 (Note 13) was recognized in the books as it represents advance payment for medical equipment.

The land covered by TCT No. 095-2015000546 and TCT No. 095-2015000547 represent the area located at Barangay Sambag, Jaro District, Iloilo City, Panay Island, where the Company is currently constructing a multidisciplinary special medical facility (hospital) (Note 9) and is the subject of a real estate mortgage as disclosed in Note 12.

Management has reviewed the carrying values of property and equipment as at December 31, 2021 and 2020, for any impairment. Based on the results of its evaluation, there are no indications that these assets are impaired.

NOTE 9 - CONSTRUCTION-IN-PROGRESS

This account consists of accumulated costs for the construction of the Company's hospital building project which is still ongoing as at reporting dates:

	As at beginning of year 2020	**Amount of Transactions 2021**	**As at end of year 2021**
Payment to contractors	1,058,999,065	**97,745,272**	**1,156,744,337**
Capitalized borrowing cost	91,215,376	**37,714,731**	**128,930,107**
Other related costs	65,213,626	**6,836,154**	**72,049,780**
	1,215,428,067	**142,296,157**	**1,357,724,224**

During the development and construction of the hospital building, borrowing costs on interest-bearing loans were capitalized (see Note 12).

Other related costs pertain to planning and project management expenses directly attributable to the construction project.

As certified by the Construction Manager of the Company, the percentage of completion as of report date is pegged at ninety-seven point thirty-six percent (97.36%).

NOTE 10 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	2021	2020
Retention payable[1)]	**43,852,032**	39,605,125
Accounts payable – contractors and suppliers[2)]	**37,484,795**	24,273,812
Accrued interest payable[3)]	**5,186,681**	30,806,165
Government liabilities[4)]	**470,823**	1,226,680
Accrued expenses[5)]	**258,528**	750,305
	87,252,859	96,662,087

[1)] Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. This shall be released to the contractor, net of deductions, if any, upon full completion and turnover of the project and final acceptance by the Company.

[2)] Accounts payable – contractors and suppliers represent unpaid billings of the contractors and balances of equipment already installed in the construction building and as of reporting date.

[3)] Accrued interest payable refers to interest expense incurred on loans from bank (see Note 12).

[4)] Government liabilities pertains to tax withheld from payment to suppliers, employees' compensation and statutory contribution to SSS, PHIC and HDMF.

5) Accrued expenses are normally settled within one year from financial reporting date.

NOTE 11 - LOANS PAYABLE TO INDIVIDUALS

This account constitutes non-interest bearing and demandable obligations to third parties which was primarily used by the Company to support the preliminary financing aspect of the construction of the hospital structure.

NOTE 12 - NOTES PAYABLE

Notes payable as at December 31 consist of:

	2020	2020
Current portion:		
Notes payable – construction-in-progress	**25,230,944**	13,905,691
Notes payable – medical equipment	**9,824,659**	5,487,559
	35,055,603	19,393,250
Non-current portion:		
Notes payable – construction-in-progress	**592,927,184**	616,867,909
Notes payable – medical equipment	**233,335,657**	240,128,921
	826,262,841	856,996,830
	861,318,444	876,390,080

The Landbank of the Philippines – Iloilo Branch (LBP – Iloilo) extended to the Company several term loans equivalent to a credit line facility totaling **₱1.060 BILLION** to finance the construction of hospital structure and the acquisition of various medical equipment and fixtures.

The foregoing credit line facility consists of a term loan 1 the availment of which was granted on 2015 amounting to **₱465 MILLION** allotted to finance the construction of hospital building. However, term loan 2 availment amounting to **₱35 MILLION** was eventually cancelled or withdrawn. Subsequently, the bank approved on July 31, 2019, term loan 3 in the amount of **₱195 MILLION** for hospital structure and term loan 4 amounting to **₱400 MILLION** allotted for the acquisition of medical equipment and fixtures.

The loan is available in several drawdowns, payable ranging from 8 years to 10 years in ladderized quarterly amortizations, including grace periods ranging from 1 year to 4 years on principal amortization, with an interest rate of 5% to 6.63% per annum payable quarterly in arrears from date of loan release.

As discussed in Note 8, the loan is collaterized and secured by a Real Estate Mortgage (REM) on both parcels of land owned by the Company, including present and future improvements thereon and Chattel Mortgage on various medical equipment, furniture and fixtures.

Total finance costs incurred on loans for financing the construction of hospital building amounted to ₱37,714,731, ₱36,964,760 and ₱34,355,732 for the years ended December 31, 2021, 2020 and 2019, respectively, and was capitalized to construction-in-progress account in the statements of financial position (see Note 9).

The Company incurred finance costs on loans for acquisition of medical equipment and fixtures amounting to ₱14,703,074, ₱13,830,175 and ₱11,456,490 for the years ended December 31, 2021, 2020 and 2019, respectively, and is reflected in the statements of comprehensive loss.

NOTE 13 - RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following were carried out with related parties as at December 31, 2021 and 2020:

Category	Outstanding Balance 2019	Amount of Transactions 2020	Outstanding Balance 2020	**Amount of Transactions 2021**	**Outstanding Balance 2021**	Terms	Conditions
Receivable – others (various ACE hospitals)	53,931	(6,459)	47,472	–	**47,472**	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
Advances to related parties:							
Endure Medical, Inc.	289,039,039	(256,975,836)	32,063,203	**16,666**	**32,079,869**	Non-interest bearing, to be collected in cash (a)	Unsecured, unguaranteed, not impaired
TIPP Digital Solutions Inc.	-	-	-	**3,515,904**	**3,515,904**	Non-interest bearing, to be collected in cash (b)	Unsecured, unguaranteed, not impaired
	289,039,039	(256,975,836)	32,063,203	**3,532,570**	**35,595,773**		
Accounts Payable - Endure Medical, Inc.	22,032,294	(19,862,337)	2,169,957	**8,369,521**	**10,539,478**	Non-interest bearing, to be paid in cash	Unsecured, unguaranteed, not impaired
Loans payable to a related party	–	–	–	**108,834,969**	**108,834,969**	Interest bearing, to be paid in cash (c)	Unsecured, unguaranteed, not impaired
Advances from shareholders	260,878,684	(260,878,684)	–	–	–	Non-interest bearing, to be paid in cash (d)	Unsecured, unguaranteed, not impaired

(a) Advances to a related party - Endure Medical, Inc.

The Company engaged the services of an indentor (Endure Medical, Inc.) which has relatively significant influence over a key management personnel of the Company. The Indentor facilitates the importation and acquisition of medical equipment, furniture and fixtures for the hospital allotment (see Note 8).

The foregoing is classified as a related party transaction(s) (pursuant to the condition set forth in PAS 24), wherein the key management personnel of Endure Medical, Inc. has significant influence over the Company and its key officer.

(b) Advances to a related party - TIPP Digital Solutions Inc.

The account represents a 15% downpayment made for the acquisition of Healthcare Management Information System.

(c) Loans payable to a related party

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which has relatively significant influence over a key management personnel of the Company. The loan was incurred to use for payment of the interest with Land Bank of the Philippines (LBP). The loan bears an interest ranging from 4.50%-5.50% per annum and is payable subject to the availability of funds. Interest incurred during the year amounted to ₱1,274,363. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

(d) Advances from shareholders

In a special meeting held last May 7, 2018, the Board of Directors and Shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development/construction of its medical structures and appurtenances.

In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

Key Management Personnel Compensation

Key management compensation amounted to ₱4,320,000, ₱4,690,000 and ₱3,075,000 for the years ended December 31, 2021, 2020 and 2019, respectively. These amounts are incorporated in the salaries and allowances account in the financial statements.

NOTE 14 - SHARE CAPITAL

Details of the Company's share capital as at December 31, 2021:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founder's shares	600	600,000
Common shares	239,400	239,400,000
Total authorized share capital	240,000	240,000,000
Subscribed share capital:		
Founder's shares	600	600,000
Common shares	234,460	234,460,000
Total subscribed share capital	235,060	235,060,000
Paid-up share capital:		
Founder's shares	600	600,000
Common shares	234,460	234,460,000
Total paid-up share capital	235,060	235,060,000

Details of the Company's share capital as at December 31, 2020:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founder's shares	600	600,000
Common shares	239,400	239,400,000
Total authorized share capital	240,000	240,000,000
Subscribed share capital:		
Founder's shares	600	600,000
Common shares	234,420	234,420,000
Total subscribed share capital	235,020	235,020,000
Paid-up share capital (net of subscription receivable of ₱13,786,000):		
Founder's shares	600	600,000
Common shares	234,420	220,634,000
Total paid-up share capital	235,020	221,234,000

In 2018, the Company filed a Registration Statement covering its proposed Initial Public Offering (IPO) of its 36,000 common shares. Said registration statement was approved on December 27, 2019, in accordance with the provisions of the SEC's Securities Regulation Code (see Note 1).

As of date, pursuant to the SEC's approval, the Company issued a total of **THIRTY-ONE THOUSAND ONE HUNDRED THIRTY (31,130)** common shares. The related share premium after deducting transaction costs associated with the issuance of shares amounted to ₱726,166,619. The common share offer price amounted to ₱250,000 up to ₱400,000 per block [one (1) block = ten (10) common shares].

Founder's shares have the exclusive right to vote and be voted upon as directors for five (5) years from the date of SEC registration. Thereafter, the holders of Founder's shares shall have the same rights and privileges as holders of common shares.

NOTE 15 - OTHER INCOME (CHARGES)

Details of account consists of:

	2021	2020	2019
Interest income (Note 6)	**22,133**	95,937	97,953
Gain on sale from scraps	**–**	11,380	–
Unrealized foreign exchange loss (Note 6)	**–**	–	(179,510)
	22,133	107,317	(81,557)

NOTE 16 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of account consists of:

	Notes	**2021**	2020	2019
Salaries and allowances[1)]	*13*	**10,114,250**	10,607,015	9,990,330
Board meetings and conferences		**2,361,231**	9,960,373	1,815,312
Security services		**1,848,089**	1,625,740	1,081,964
Professional fee and legal fees[1)]		**1,803,246**	2,299,496	5,561,460
SSS, PHIC and HDMF Contributions		**600,173**	516,045	333,792
Depreciation	*8*	**502,103**	422,949	305,461
Office supplies		**393,884**	262,158	481,668
Trainings and seminars		**288,095**	27,255	23,167
Taxes and licenses[2)]		**207,982**	1,350,661	1,775,777
Insurance expense		**144,642**	777,807	715,015
Utilities		**136,494**	760,656	528,286
Advertising expenses		**51,414**	249,143	–
Rental[3)]		**50,151**	316,000	1,725,859
Amortization		**41,667**	–	–
Transportation and travel	*13*	**40,182**	374,228	1,025,919
Miscellaneous		**467,720**	96,826	360,980
		19,051,323	29,646,352	25,724,989

[1)] Material amount of professional fees in 2019 is due to payment for the processing of the secondary licenses of the Company and for engaging a financing officer who shall primarily be responsible in managing the Company's finances, record-keeping, and financial reporting.

[2)] Decrease in taxes and licenses resulted from absence of documentary stamp tax due to no additional bank loans were obtained during the year.

[3)] Decrease in rental expense is due to the termination of the office space lease agreement. Rental expense in 2021 and 2020 pertains to rental of photocopier machine.

NOTE 17 - INCOME TAX EXPENSE

Computation of income tax due (RCIT or MCIT, whichever is higher) is as follows:

I. Regular Corporate Income tax (RCIT)	**2021**	2020	2019
Net loss before income tax	**(35,006,627)**	(43,369,210)	(37,263,036)
Add (deduct) reconciling items:			
Interest expense arbitrage	**5,533**	39,574	40,406
Non-deductible penalties on taxes (Note 16)	**133,499**	–	–
Unrealized forex loss (Note 6)	–	–	179,510
Interest income subjected to final tax (Notes 6 and 15)	**(22,133)**	(95,937)	(97,953)
Net operating loss	**(34,889,728)**	(43,425,573)	(37,141,073)
Tax rate	**25%**	30%	30%
RCIT	**NIL**	NIL	NIL

II. Minimum Corporate Income Tax (MCIT)	2020
Gross income	107,317
Add (deduct) reconciling items:	
Interest income subjected to final tax	
(Notes 6 and 15)	(95,937)
Gross taxable income	11,380
Tax rate	2%
MCIT	228

For the years ended December 31, 2021 and 2019, the Company did not generate any revenues subject to minimum corporate income tax.

III. Tax Due (RCIT or MCIT whichever is higher)	2020
MCIT	228
Less: Tax credits or payments	
Quarterly income tax payments (1st - 3rd quarter)	–
Creditable withholding tax (1st - 3rd quarter)	–
Creditable withholding tax (4th quarter)	–
Income tax payable	228

CREATE ACT

On March 26, 2021, Republic Act No. 11534, otherwise known as "The Corporate Recovery and Tax Incentives for Enterprises Act" was signed into law by the President of the Philippines. The law will take effect 15 days after its publication in the Official Gazette or in a newspaper of general circulation.

The following are the key features of the CREATE Law that are relative to the Company:

A. Corporate Income Tax (CIT)

1. Starting July 1, 2020, CIT rate for corporations will be reduced as follows:
   a. Reduced CIT rate of 20% shall be applicable to domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100 Million (excluding land on which the business entity's office, plant and equipment are situated).
   b. Reduced CIT rate of 25% shall be applicable to all other domestic and resident foreign corporations.
2. For the period beginning July 1, 2020 until June 30, 2023, minimum corporate income tax rate shall be 1%, instead of 2%.
3. Improperly accumulated earnings tax is repealed.
4. The option to be taxed at 15% of gross income if allowed by the President subject to certain conditions is repealed.
5. Enhanced deduction in claiming NOLCO for five (5) years.

B. Deductions from Gross Income

Due to the proposed reduction in CIT rate, interest arbitrage shall be reduced to 20% of interest income subjected to final tax, and will be further adjusted in case final tax on interest income will be adjusted in the future.

C. VAT Exempt Transactions

1. Additional VAT exemption on sale or importation of the following goods from January 1, 2021 to December 31, 2023:
   a. Capital equipment, its spare parts and raw materials, necessary to produce personal protective equipment component;
   b. all drugs, vaccines and medical devices specifically prescribed and directly used for the treatment of COVID-19;
   c. drugs, including raw materials, for the treatment of COVID-19 approved by the FDA for use in clinical trials
2. VAT exemption on sale or importation of prescription drugs and medicines for cancer, mental illness, tuberculosis, and kidney diseases will start on January 1, 2021 instead of January 1, 2023.

IV. Deferred Tax Asset

As at December 31, 2021, the Company's NOLCO and MCIT that can be claimed as deduction from future taxable income and income tax payable, respectively, are as follows:

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2018	2021	18,944,150	–	(18,944,150)	–	–
2019	2022	37,141,073	–	–	–	37,141,073
		56,085,223	**–**	**(18,944,150)**	**–**	**37,141,073**

On September 30, 2020, Finance Secretary Carlos Dominguez and Internal Revenue Commissioner Caesar Dulay signed Revenue Regulation 25-2020, implementing Section 4 of the Bayanihan to Recover as One or Bayanihan 2 Act, particularly on the NOLCO of companies. The Bureau of Internal Revenue (BIR) has extended to five years the carry-over period for net operating losses incurred by businesses in 2020 and 2021 due to the impact of the coronavirus pandemic.

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2020	2025	43,425,573	–	–	–	43,425,573
2021	2026	–	34,889,728	–	–	34,889,728
		43,425,573	**34,889,728**	**–**	**–**	**78,315,301**
Effect of CREATE Law		**7,795**	**–**	**–**	**–**	**7,795**
		43,433,368	**34,889,728**	**–**	**–**	**78,323,096**

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
MCIT						
2020	**2023**	**228**	**–**	**–**	**–**	**228**
Effect of CREATE Law		**(57)**	**–**	**–**	**–**	**(57)**
		171	**–**	**–**	**–**	**171**

The significant component of the Company's deferred tax assets are as follows:

	2021	2020	2019
NOLCO	**115,464,169**	99,510,796	64,692,760
Tax rate	**25%**	30%	30%
	28,866,042	29,853,239	19,407,828
MCIT	**171**	228	–
	28,866,213	29,853,467	19,407,828
Valuation allowance (Note 5)	**(28,866,042)**	(29,853,239)	(19,407,828)
Deferred tax asset	**171**	228	–

The Company's deferred tax assets arises from excess MCIT from the current and prior year's period that can be charged against income of the next three taxable years and is presented as part of "other non-current assets" in the statements of financial position.

The Company provides full valuation allowance on its deferred tax assets from NOLCO since management believes that the Company will not be able to generate future taxable income in which such can be applied. The deferred tax asset of the Company arising from net operating loss carry over (NOLCO) prior to 2020 can be charged against future taxable income of the next three (3) years. On the other hand, deferred tax assets arising from NOLCO for the years 2020 and 2021 can be charged against future taxable income of the next five (5) taxable years.

NOTE 18 - BASIC LOSS PER SHARE

Basic loss per share is computed as follows:

	2021	2020	2019
Loss attributable to ordinary shares	**(35,006,627)**	(43,369,210)	(37,263,036)
Divide by: Weighted average number of ordinary shares outstanding	**235,060**	235,020	231,150
Basic loss per share	**(148.93)**	(184.53)	(161.21)

There are no potential dilutive ordinary shares outstanding as at December 31, 2021, 2020 and 2019.

NOTE 19 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk

The Company's financial risk management policies seek to minimize potential adverse effects of financial risk such as credit risk, liquidity risk, and interest rate risk to its financial assets and financial liabilities.

The Company's principal financial assets and financial liabilities consist of cash (excluding petty cash fund), receivable - others, other non-current assets payable (excluding deferred tax assets), accounts payable and other liabilities (excluding government liabilities), loans payable to individuals, loans payable to a related party and notes payable which arise from operations.

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

Credit risk

Credit risk is the risk that the third party will default on its obligation to the Company and cause the Company to incur financial loss. The Company's business policy aims to limit the amount of credit exposure to any individual client and financial institution. The Company has credit management policies in place to ensure that contracts are entered into with clients who have sufficient financial capacity and good credit history.

The Company's financial assets at amortized cost are composed of cash (excluding petty cash fund), receivable – others and other noncurrent assets (excluding deferred tax assets). The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

Receivable - others and other non-current assets are being monitored on a regular basis to ensure timely execution of necessary intervention efforts to minimize credit losses.

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

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

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

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

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

	As at December 31, 2021			
	Financial assets at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	**14,484,332**	**–**	**–**	**14,484,332**
Receivable - others	**3,237,553**	**–**	**–**	**3,237,553**
Other non-current assets*	**–**	**5,015,000**	**–**	**3,237,553**
	17,721,885	**5,015,000**	**–**	**22,736,885**

**Excluding deferred tax assets amounting to ₱171 as at December 31, 2021.*

As at December 31, 2020

	Financial assets at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	47,992,046	–	–	47,992,046
Receivable - others	140,652	–	–	140,652
Other non-current assets*	–	5,015,000	–	5,015,000
	48,132,698	5,015,000	–	53,147,698

**Excluding deferred tax assets amounting to ₱228 as at December 31, 2020.*

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The primary source of the Company's interest rate risk relates to its cash in banks, notes payable and loans payable to a related party (Notes 6, 12 and 13).

Cash in banks are subject to prevailing market interest rates. Considering that such financial assets have short-term maturities, the Company does not foresee any cash flow and fair value interest rate risks to have a significant impact on the Company's operations.

Likewise, notes payable and loans payable to a related party are subject to prevailing market interest rates. As such, these are subject to fluctuations in market interest rates for a given period.

The Company has no established policy in managing interest rate risk. Any favorable or unfavorable effect of the fluctuations on the interest rates are absorbed by the Company. The effect of such is presented in the Company's financial performance.

Liquidity Risk

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

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on contractual and undiscounted payments:

As at December 31, 2021

	On Demand	**Within 1 year**	**More than 1 year but less than 5 years**	**More than 5 years**	**Total**
Financial Assets:					
Cash*	**14,484,332**	–	–	–	**14,484,332**
Receivable - others	**3,237,553**	–	–	–	**3,237,553**
Other non-current assets**	–	–	**5,015,000**	–	**5,015,000**
	17,721,885	–	**5,015,000**	–	**22,736,885**

**Excluding petty cash fund amounting to ₱30,000 as at December 31, 2021.*
***Excluding deferred tax assets amounting to ₱171 as at December 31, 2021.*

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Liabilities:					
Accounts payable and other liabilities***	**86,782,036**	–	–	–	**86,782,036**
Loans payable to individuals	**23,000,000**	–	–	–	**23,000,000**
Loans payable to a related party	**108,834,969**	–	–	–	**108,834,969**
Notes payable	**35,055,603**	**95,342,150**	**730,920,691**	–	**861,318,444**
	253,672,608	**95,342,150**	**730,920,691**	–	**1,079,935,449**

****Excluding government liabilities amounting to ₱470,823 as at December 31, 2021.*

As at December 31, 2020

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Assets:					
Cash*	47,992,046	–	–	–	47,992,046
Receivable - others	140,652	–	–	–	140,652
Other non-current assets**	–	–	5,015,000	–	5,015,000
	48,132,698	–	5,015,000	–	53,147,698

**Excluding petty cash fund amounting to ₱30,000 as at December 31, 2020.*
**Excluding deferred tax assets amounting to ₱228 as at December 31, 2020.*

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Liabilities:					
Accounts payable and other liabilities***	95,435,407	–	–	–	95,435,407
Loans payable to individuals	30,343,471	–	–	–	30,343,471
Notes payable	19,393,250	35,055,603	821,941,227	–	876,390,080
	145,172,128	35,055,603	821,941,227	–	1,002,168,958

****Excluding government liabilities amounting to ₱1,226,680 as at December 31, 2020.*

FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities are presented below:

	As at December 31, 2021		As at December 31, 2020	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets:				
Cash*	**14,484,332**	**14,484,332**	47,992,046	47,992,046
Receivable - others	**3,237,553**	**3,237,553**	140,652	140,652
Other non-current assets**	**5,015,000**	**5,015,000**	5,015,000	5,015,000
	22,736,885	**22,736,885**	53,147,698	53,147,698

**Excluding petty cash fund amounting to ₱30,000 as at December 31, 2021 and 2020.*
***Excluding petty cash fund amounting to ₱171 and ₱228 as at December 31, 2021 and 2020, respectively.*

	As at December 31, 2021		As at December 31, 2020	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities:				
Accounts payable and other liabilities***	**86,782,036**	**86,782,036**	95,435,407	95,435,407
Loans payable to individuals	**23,000,000**	**23,000,000**	30,343,471	30,343,471
Loans payable to a related party	**108,834,969**	**108,834,969**	–	–
Notes payable	**861,318,444**	**861,318,444**	876,390,080	876,390,080
	1,079,935,449	**1,079,935,449**	1,002,168,958	1,002,168,958

****Excluding government liabilities amounting to ₱470,823 and ₱1,226,680 as at December 31, 2021 and 2020, respectively.*

Assumption Used to Estimate Fair Values

The carrying amounts of cash, receivable - others, accounts payable and other liabilities, loans payable to individuals, and loans payable to a related party approximate their fair values as at reporting dates due to the short-term nature of the transactions.

The carrying amount of notes payable approximates its fair value due to pre-determined contractual cash flow arrangements based on an applicable and regular re-priceable Philippine Dealing System Treasury (PDST) floating rate covering the term of the loan, as provided by the financial lending institution.

The fair value of refundable deposits cannot be measured reliably since there was no comparable market data and inputs for the sources of fair value such as discounted cash flows analysis. However, Management believes that their carrying amounts approximate their fair value.

Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of financial assets and liabilities:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs are unobservable for the asset or liability

The table below summarizes the classification of the Company's financial assets and liabilities based on the fair value measurement hierarchy:

	As at December 31, 2021		
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Un-observable Inputs (Level 3)**
Financial Assets:			
Cash*	**14,484,332**	–	–
Receivable - others	–	3,237,553	–
Other non-current assets**	–	5,015,000	–
	14,484,332	8,252,553	–

**Excluding petty cash fund amounting to ₱30,000 as at December 31, 2021.*
***Excluding deferred tax assets amounting to ₱171 as at December 31, 2021.*

Financial Liabilities:			
Accounts payable and other liabilities***	–	**86,782,036**	–
Loans payable to individuals	–	**23,000,000**	–
Loans payable to a related party	–	**108,834,969**	–
Notes payable	–	**861,318,444**	–
	–	**1,079,935,449**	–

****Excluding government liabilities amounting to ₱470,823 as at December 31, 2021.*

	As at December 31, 2020		
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un-observable Inputs (Level 3)
Financial Assets:			
Cash*	47,992,046	–	–
Receivables	–	140,652	–
Other non-current assets**	–	5,015,000	–
	47,992,046	5,155,652	–

**Excluding petty cash fund amounting to ₱30,000 as at December 31, 2020.*
***Excluding deferred tax assets amounting to ₱228 as at December 31, 2020.*

Financial Liabilities:			
Accounts payable and other liabilities***	–	95,435,407	–
Loans payable to individuals	–	30,343,471	–
Notes payable	–	876,390,080	–
	–	1,002,168,958	–

****Excluding government liabilities amounting to ₱1,226,680 as at December 31, 2020.*

There were no reclassifications made between the different fair value hierarchy level as at December 31, 2021 and 2020.

CAPITAL MANAGEMENT

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

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2021 and 2020.

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

	2021	2020
Share capital	**235,060,000**	221,234,000
Share premium	**726,166,619**	653,467,980
Deficit	**(145,648,293)**	(110,641,666)
	815,578,326	764,060,314

The loan agreement with Landbank (Note 12) provides certain restrictions and requirements with respect to, among others, maintenance of financial ratios (debt-to-equity ratio of 80:20), percentage of ownership of specific shareholders, creation of property encumbrances and additional guarantees for the incurrence of additional long-term indebtedness.

As of reporting dates, all covenants and requirements are complied with except for the required financial ratio wherein the financial institution was made aware of since the Company has not yet started commercial operations.

NOTE 20 - IMPACT OF CORONAVIRUS (COVID-19) UPDATE

The full impact of the lingering COVID-19 outbreak remains as a formidable threat to the normal stability of the Company and may, at times, impose operational compromises which negatively influences the industry workforce and the logistical chain. In response to such evolving challenges, as well as combat any impending surges, the Company has adopted certain measures (like hybrid work arrangements, office pre-testing and spacing procedures, including virtual communication instructions & practices) to strike a balance between its calculated business activities and the mandatory health protocols.

However, since the Company is still on its formative or organizational stage(s) and has not commenced full commercial operations, the Management have ascertained that the foregoing current circumstances of the prevailing influence on the Company's financial standing or status indicates neither a material impact nor an uncertainty exists that would affect the financial condition and operational results of the Company.

NOTE 21 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company as at and for the year ended December 31, 2021, including its comparatives as at 2020 and for the years ended 2020 and 2019, were approved and authorized for issuance by the Board of Directors on March 27, 2022.

SUPPLEMENTARY INFORMATION REQUIRED BY REVENUE REGULATION (RR)

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 15-2010, which requires certain information on taxes, duties, and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. This supplemental information, which is an addition to the disclosures mandated under PFRS is presented as follows:

Output and Input Value-Added Tax

Hospitals and clinics are exempt from VAT by virtue of Section 109 of the National Internal Revenue Code.

Documentary Stamp Tax

Documentary stamp tax paid by the Company during the year amounted to ₱25,000 for the newly subscribed common shares.

Taxes and licenses

Details of the Company's other local and national taxes for the year are as follows:

	2021
Penalties and surcharges	**133,538**
Documentary stamp tax	**25,000**
Real property tax	**15,119**
Geohazard assessment	**9,500**
Business permits	**4,145**
Fire safety inspection fee	**500**
Community tax certificate	**500**
Annual BIR registration fee	**500**
Others	**19,180**
	207,982

Withholding Taxes

Withholding taxes paid by the Company for the year are as follows:

	2021
Expanded withholding taxes	**2,077,067**
Compensation withholding tax	**691,330**
	2,768,397

Deficiency Tax Assessment and Tax Cases

The Company has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in court or bodies outside the Bureau of Internal Revenue as of December 31, 2021.

RR 19-2020 and RR 34-2020

In 2020, the Bureau of Internal Revenue (BIR) issued the foregoing Revenue Regulations for the effective implementation of Philippine Accounting Standard No. 24 (PAS 24) governing the guidelines and procedures for "transfer pricing documentations" involving related party transactions thru the submission of BIR Form No. 1709 and the supporting documents, as an attachment to the financial statements to be filed with the BIR.

The Company reported net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years, hence, meets the criteria provided by these Revenue Regulations, and accordingly, required to submit BIR Form 1709.

* * *

ANNEX "B"

ASIA PACIFIC
MEDICAL CENTER
ILOILO
BRGY. UNGKA, JARO, ILOILO CITY, PHILIPPINES 5000

Summary of 2021 17-C Reports

Date Reported	Subject
January 8, 2021	Non Material Amendment of the Simplified Registration Statement of the Company
April 20, 2021	Notice of Postponement of the 2021 Annual Stockholders' Meeting
May 21, 2021	Resignation of Dr. Jerusha A. Comuelo as Chairperson of the Committee on Corporate Governance and Election of Dr. Ronald Ramiro as Chairperson of Committee on Corporate Governance vice Jerusha A. Comuelo and Non Material Amendment of the Simplified Registration Statement
June 24, 2021	Approval of the Term Loan Facility Indicative and Conditions issued by the Asia United Bank
August 23, 2021	Resignation from the 2020 BOD and Withdrawal from Nomination to the 2021 Election of BOD by Dr. Ronald L. Ramiro.
August 31, 2021	Election of 2021 Board of Directors and Appointment of Officers