

MANAGEMENT REPORT AS OF 06 June 2023

A. DESCRIPTION OF BUSINESS

Asia Pacific Medical Center Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center - Iloilo Inc.), (hereinafter “APMCI” or The Company) is an ordinary 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.

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

To support the construction of its first project, the company applied for a secondary license for the issuance of securities. It was issued its Permit to Offer Securities on 27 December thru SEC MSR Order No. 37 Series of 2018.

As of 30 May 2023, the total percentage of completion of the construction of the multi-disciplinary hospital being constructed by Company is 99.82%.

It is the mission of Asia Pacific Medical Center-Iloilo, Inc. (formerly known as 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 justifiable medical services to its clients and stakeholders.

Initially, the company 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 employees and management staff.

Asia Pacific Medical Center - Iloilo Inc. (formerly known as Allied Care Experts (ACE) Medical Center-Iloilo, Inc.) will be a 9-storey 253 bed capacity hospital with helipad and one (1) basement parking area (108 parking slots), with total floor area of 25,086 sq.m. 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. The company will be a multi-disciplinary 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.

The issuer belongs to the 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 Iloilo City wherein the following Hospitals are operating:

NAME OF HOSPITAL	ADDRESS	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
Iloilo Doctor's Hospital	Infante St., Molo, Iloilo City	300	Private	3
Iloilo Mission Hospital	Mission Road, Jaro, Iloilo City	261	Private	3
Medicus Medical Center Iloilo	Dr. Rizalina Bernardo Avenue, San Rafael Mandurriao, Iloilo City	150	Private	2
Metro Iloilo Hospital and Medical Center, Inc	Metropolis Avenue, Brgy. Tagbak Jaro, Iloilo City	110	Private	2
Qualimed Hospital	DonatoPison Avenue, San Rafael Mandurriao, Iloilo City	100	Private	2
St Paul's Hospital	General Luna St., Brgy. Danao, Iloilo City	265	Private	3
The Medical City Iloilo	Locsin St., Molo, Iloilo City	108	Private	2
West Visayas State University Medical Center	E. Lopez St., Jaro, Iloilo City	300	Public	3
Western Visayas Medical Center	Q. Abeto St., Mandurriao, Iloilo City	400	Public	3
Holy Mary Women & Children's Hospital	Felix Gorriceta Avenue, Brgy. Balabag, Pavia, Iloilo	60	Private	2

The strategic location of the company primarily influences the decision of the medical specialists to subscribe to the shares of stock in the company. 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 the company to effectively compete with its competitors within the area.

The company 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.

The company 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 CardiacCath laboratory and Rehabilitation Center, an Eye Center and Oncology Center.

The hospital will also work 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 it delivers to its patients. The hospital will also make sure that by following the policies of the Credentials and Privileging

Committee, the medical staff of the company is clinically competent and certified specialists.

On 14 April 2023, Asia Pacific Medical Center- Iloilo was registered by the Philippine Board of Investments as a Domestic Market Enterprise engaged in Private General Hospital Activities entitled to Income Tax Holiday for six (6) years , Enhanced Deductions for five (5) years, and Duty Exemption for eleven (11) years.

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. Synchronized Solution Inc. - Auxiliary and Electrical
3. Balderas Engineering & Technology Services - Electrical
4. Pesco Air Conditioning and Engineering Services - Electrical
5. Citigas Inc. - Medical Gases Pipelines
6. JRDM Builders Corp.- Air Conditioning/Hepa Filters
7. Thai Phil Services Ltd, Inc. - Air Conditioning
8. Ultrade Phil Service Corp - Plumbing,Fire Protection and Fresh Air
9. R.Turno Glass & Alum. Service - Glassworks
10. Puricare Industrial Enterprises - R.O.System
11. International Elevator &, Inc. - Elevators
12. Ladadios Builders Inc. - Joinery, Retrofitting, RMD, Vinyl & Doors
13. Green Garden Landscaping Services - Landscaping
14. Protric - (Joineries/Lab/Pharmacy/Blood Bank/Medical)
15. NTA - (WaterProofing/ External Cladding Sealant/ Basement Driveway)
16. Estomo - Stainless Steel Ramp Basement/ Kitchen Table
17. GB Majestic - Frosted film to Wall Glass
18. Ranile - Blackpaint @ BSMT ceiling/ Epoxy to Ramps & Driveways
19. Denmine - Epoxy Paint to Fire Exit Stairwell
20. Fireshield Inc. - FM200 Supply & Installation
21. Signage - DS Advertising
22. Olie - Curtain & Tracks & Shower Curtain
23. R.R. Baes - FM200 Supply & Installation

Major Suppliers of the Medical Equipment, Medical Supplies and Medicines

The aforementioned contractors are suppliers of goods and services relating to the construction of the hospital building. In the course of its operations, there will be a number of reputable manufacturers and distributors of hospital equipment, medicines and medical supplies abroad and in the country that APMCI may source its supplies depending on its needs. Initially, the following are its major suppliers of medical equipment, medical supplies and medicines:

1. Berovan Marketing - Medical Supplies and Equipment
2. CRR Medical and Diagnostic Distributor - Medical Supplies
3. Flomed - Medical Equipment
4. Olten Instruments Phils Corp. Olympus - Medical Equipment
5. RFG Medical Pharmaceutical Products & Equipment - Medical Equipment
6. The Pharmedic Co. - Medical Equipment
7. Omnibus Bio-Medical Systems, Inc. - Laboratory Supplies & Equipment
8. Endure Medical Inc.- Medical Equipment

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. Allied Care Experts Medical Center - Baliwag, Inc.
2. Allied Care Experts Medical Center - Bayawan, Inc.
3. Allied Care Experts Medical Center - Baypointe, Inc.

4. Allied Care Experts Medical Center - Bohol, Inc.
5. Allied Care Experts Medical Center - Butuan, Inc.
6. Allied Care Experts Medical Center - Cagayan de Oro, Inc.
7. Allied Care Experts Medical Center- Cebu, Inc.
8. Allied Care Experts Medical Center - Dipolog, Inc.
9. Allied Care Experts Dumaguete Doctors, Inc.
10. Allied Care Experts Medical Center - General Santos, Inc.
11. Allied Care Experts Medical Center - Legazpi, Inc.
12. Allied Care Experts Medical Center - Mandaluyong, Inc.
13. Allied Care Experts Medical Center- Palawan, Inc.
14. Allied Care Experts (ACE) Medical Center - Pateros, Inc.
15. Allied Care Experts (ACE) Medical Center- Quezon, Inc.
16. Allied Care Experts (ACE) Medical Center- Tacloban, Inc.
17. Allied Care Experts (ACE) Medical Center-Valenzuela, Inc.
18. Asia Pacific Medical Center - Bacolod, 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 32 of the Interim Financial Statement as of and ending on 31 March 2023.

RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following transactions were carried out with related parties as at March 31, 2023, and December 31, 2022 and 2021:

Category	Outstanding	Amount of	Outstanding	Amount of	Outstanding	Terms	Conditions
	Balance	Transactions	Balance	Transactions	Balance		
	2021	2022	2022	2023	March 2023		
Receivable - others (various ACE hospitals)	47,472	-	47,472	-	47,472	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
Advances to related parties:							
Endure Medical, Inc.	32,079,869	-	32,079,869	-	32,079,869	Non-interest bearing, to be collected in cash (a)	Unsecured, unguaranteed, not impaired
TIPP Digital Solutions Inc.	-	-	-	-	3,515,904	Non-interest bearing, to be collected in cash (b)	Unsecured, unguaranteed, not impaired
	35,595,773	-	35,595,773	-	35,595,773		
Accounts Payable - Endure Medical, Inc.	2,169,957	31,419,910	33,589,867	14,943,824	18,646,043	Non-interest bearing, to be paid in cash	Unsecured, unguaranteed, not impaired
Loans payable to a related party	108,834,969	129,000,000	237,834,969	8,600,000	246,434,969	Interest bearing, to be paid in cash (c)	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% down payment 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%-6.50% per annum and is payable subject to the availability of funds. Interest incurred during the quarter amounted to 3,960,584. 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.

As of March 31, 2023, there were no more outstanding advances from shareholders.

INVOLVEMENT IN LEGAL PROCEEDINGS

Petition for Certiorari under Rule 65 against the Office of the Insurance Commissioner, Allied Care Experts Medical Center-Valenzuela, Allied Care Experts Medical Center- Pateros , Allied Care Experts Medical Center-Baypointe, Allied Care Experts Medical Center – Quezon City, Allied Care Experts (ACE) Medical Center- Baliwag and Asia Pacific Medical Center- Iloilo (Formerly Allied Care Experts Medical Center- Iloilo)

The petition dated 04 February 2022 was filed before the Court of Appeals against the Office of the Insurance Commissioner, Allied Care Experts Medical Center-Valenzuela, Allied Care Experts Medical Center- Pateros, Allied Care Experts Medical Center-Baypointe, Allied Care Experts Medical Center – Quezon City, Allied Care Experts (ACE) Medical Center- Baliwag and Asia Pacific Medical Center- Iloilo (Formerly Allied Care Experts Medical Center- Iloilo)

Almost years after APMC Iloilo received the resolution of the Insurance Commission on the request for investigation of Ferdinand Kionisala declaring that *the benefits and privileges enjoyed by him or offered by any of the named 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 on this matter 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. After the denial of the Motion for Reconsideration 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 our previous ruling, Ferdinand Kionisala filed a special civil action for Certiorari under Rule 65 before the Court of Appeals alleging that the Insurance Commission acted with grave abuse of discretion amounting to lack or excess of jurisdiction when it found that the contracts sold or offered for sale to the public are not pre-need contracts or are not processing pre-need plans and when it ignored the evident fact that the benefit and privileges are the cause or consideration of the contracts between private respondents and the members of the general

public. Mr. Kionisala prayed that the Court of Appeals set aside the letter dated December 11, 2018 and letter dated November 29 2021 be nullified and set aside and that the Insurance Commission be ordered to take appropriate action(s) against the private respondents for violating the Pre-Need Code of the Philippines.

In a resolution dated 26 July 2022, the Eighteenth (18th) Division of the Court of Appeals directed the petitioners to rectify the infirmity observed in the petition, within an inextendible period of ten (10) days from notice which is the submission of a mere plain photostatic copy of the assailed letter dated 11 December 2018. Petitioner has submitted its compliance on 22 September 2022 copy of which was received by APMC Iloilo on 19 October 2022.

As of 31 December 2022, to the knowledge and information of the Company, there are no pending material legal proceedings that involve APMCI or any of its properties aside from the aforementioned case.

B. SECURITIES OF THE REGISTRANT

Market Price

The Company markets and offers the securities through organic employees who are well versed with Hospital operations. The shares are not traded in the exchange but sold over-the-counter hence trading could be sporadic. 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 on these organic employees and satisfied patients to spread the word about the facilities the Hospital can offer.

Asia Pacific Medical Center-Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center-iloilo, 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:

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

The first Two Thousand Six Hundred (2,600) blocks had been sold at a maximum price of Two Hundred Fifty Thousand Pesos (Php 250,000. 00) per block by the third quarter of October 2019 and another One Hundred Ten (110) blocks at a maximum price of Php300,000.00 per block were subscribed by December 31, 2019. The remaining Three Hundred Ninety (390) blocks at a maximum price of Three Hundred Thousand (Php300,000.00) per block were sold in the year 2020. Three (3) blocks at a maximum price of Four Hundred Thousand (Php400,000.00) per block of the third series shares were also sold by December 2020. Additional three (3) blocks from the same series were sold in the year 2021. In 2022, another sixty five (65) blocks of shares were sold at a maximum price of Four Hundred Thousand (Php400,000.00) and in 2023, additional Four Hundred Twenty One (421) blocks were sold at a maximum price of Four Hundred Pesos (PHP 400,000.00) per block. 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 sales persons as reflected in its Registration Statement. The percentage of public ownership of the Company as of 07 June 2023 is 14.91%.

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 Asia Pacific Medical Center- Iloilo, Inc. (formerly known as Allied Care Experts (ACE) Medical Center- Iloilo, Inc.). Other purchasers are non-medical specialists who are related to medical specialists and those who purchased the shares purely for investment purposes.

HOLDERS

There are approximately Thirty Five (35) holders of Founder Shares and approximately Two Thousand Eight Hundred Seventy-Six 2876 holders of common shares of the company as of 30 May 2023.

Ferjanel G. Biron, Brandt Luke Q. Biron, Braeden John Q. Biron and Bryant Paul Q. Biron are the beneficial owners of more than 5% of any class of registrant's voting securities as of 30 May 2023.

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, FERJENEL G./82 Firefly Cor. Butterfly St., Valle Verde VI, Pasig City	BIRON, FERJENEL G/ Record Owner is also Beneficial Owner	Filipino	46,322 240	19.41%
Common Founder	BIRON, BRANDT LUKE Q. /Unit 4403 Trump Tower, Century City, Kalayaan Avenue, Makati City, Metro Manila	BIRON, BRANDT. LUKE Q./ Record Owner is also Beneficial Owner	Filipino	21,890 10	9.13%
Common Founder	BIRON, BRAEDEN JOHN Q./Ilaya 2 nd , Dumangas, Iloilo	BIRON, BRAEDEN JOHN Q. / Record Owner is also Beneficial Owner	Filipino	21,140 10	8.82%
Common Founder	BIRON, BRYANT PAUL Q / Unit 903, Pacific Place, Pearl Drive, Ortigas Center, Pasig City	BIRON, BRYANT PAUL Q./ Record Owner is also Beneficial Owner	Filipino	21,140 10	8.82%

The Top 20 Stockholders as of 30 May 2023 are as follows:

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, FERJENEL G./82 Firefly Cor. Butterfly St., Valle Verde VI, Pasig City	BIRON, FERJENEL G/ Record Owner is also Beneficial Owner	Filipino	46,322 240	19.41%
Common Founder	BIRON, BRANDT LUKE Q. /Unit 4403 Trump Tower, Century City, Kalayaan Avenue, Makati City, Metro Manila	BIRON, BRANDT. LUKE Q./ Record Owner is also Beneficial Owner	Filipino	21,890 10	9.13%
Common Founder	BIRON, BRAEDEN JOHN Q./Ilaya 2 nd , Dumangas, Iloilo	BIRON, BRAEDEN JOHN Q. / Record Owner is also Beneficial Owner	Filipino	21,140 10	8.82%
Common Founder	BIRON, BRYANT PAUL Q / Ilaya Poblacion, Barotac Nuevo, Iloilo	BIRON, BRYANT PAUL Q./ Record Owner is also Beneficial Owner	Filipino	21,140 10	8.82%
Common Founder	SAMORO, FREDILYN G./ Block 31 Lot 5, Ana Ros Village, Guzman St., Mandurriao, Iloilo City	SAMORO, FREDILYN G./ Record Owner is also Beneficial Owner	Filipino	6,874 20	4.32%
Common Founder	SAMORO, RONNIE Z. / Block 31 Lot 5, Ana Ros Village, Guzman St., Mandurriao, Iloilo City	SAMORO, RONNIE Z. / Record Owner is also Beneficial Owner		3,452 10	

Common Founder	RAMIREZ, RUBEN B./ Unit 522 The Uptown Place, General Luna St., Iloilo City	RAMIREZ, RUBEN B./ Record Owner is also Beneficial Owner	Filipino	5,930 20	2.48%
Common Founder	LAVALLE, AMADO JR. M./ Lot 8 Block 8, Bankers Village, Tabuc Suba, Iloilo City	LAVALLE, AMADO JR. M./ Record Owner is also Beneficial Owner	Filipino	3,758 10	1.57%
Common Founder	REGOZO, DANILO C./ 185 A. Barangay Bonifacio, Tanza, Iloilo City	REGOZO, DANILO C./ Record Owner is also Beneficial Owner	Filipino	3,758 10	1.57%
Common Founder	VILLAFLO, AGNES JEAN M./ Lot 6 Block 2, Sacred Heart Subd., Hibaoan, Mandurriao, Iloilo City	VILLAFLO, AGNES JEAN M./ Record Owner is also Beneficial Owner	Filipino	3,758 10	1.57%
Common Founder	LAVILLA, MERIDE D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, MERIDE D./ Record Owner is also Beneficial Owner	Filipino	3,698 10	2.95%
Common Founder	LAVILLA, FRANCIS G./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, FRANCIS G./ Record Owner is also Beneficial Owner		2,450 10	
Common Founder	LAVILLA, LOU VALERIE D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, LOU VALERIE D./ Record Owner is also Beneficial Owner		300	
Common Founder	LAVILLA, FRANCINE MARIE D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, FRANCINE MARIE D./ Record Owner is also Beneficial Owner		300	
Common Founder	LAVILLA, MERYLL FAITH D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, MERYLL FAITH D./ Record Owner is also Beneficial Owner		300	
Common Founder	NOLASCO, FELIX P. & 553 Batulao St., Ayala Alabang Village, Muntinlupa City	NOLASCO, FELIX P. & NOLASCO, EULENIA P./553 / Record Owner is also Beneficial Owner	Filipino	2,340 10	1.96%
Common Founder	NOLASCO, EULENIA P./553 Batulao St., Ayala Alabang Village, Muntinlupa City	NOLASCO, EULENIA P./553 / Record Owner is also Beneficial Owner		2,340 10	
Common Founder	COMUELO, JERUSA A./ Metropolis Brgy. Bito-on, Jaro, Iloilo City	COMUELO, JERUSA A./ Record Owner is also Beneficial Owner	Filipino	3,452 10	1.44%
Common Founder	GALLEGA-PEREZ, MA. GRACE/ 264 Laguda Subd. Lapaz, Iloilo City	GALLEGA-PEREZ, MA. GRACE/ Record Owner is also Beneficial Owner	Filipino	3,452 10	1.44%
Common Founder	ONG, MARY FLOR G./ Lot 15 & 16 Blk. 36 Westwood Subd., Dungon-C, Iloilo City	ONG, MARY FLOR G. / Record Owner is also Beneficial Owner	Filipino	3,452 10	1.44%
Common Founder	DOMINGO, CARMELO JR./ 7 Diamond St., Las Piñas Royole Estate, Pulang Lupa Dos Las Piñas City 1742	DOMINGO, CARMELO JR. / Record Owner is also Beneficial Owner	Filipino	3,390 10	1.42%
Common Founder	GONZALES, NOEL J./ Muebles Italiano Building, Paeo de Magallanes, SSHW, Makati City	GONZALES, NOEL J. / Record Owner is also Beneficial Owner	Filipino	3,390 10	1.42%
Common Founder	MINERVA, IKE T./ Brgy. Barroc Tigbauan, Iloilo	MINERVA, IKE T. / Record Owner is also Beneficial Owner	Filipino	3,390 10	1.42%

Common Founder	DIANCO, FELIBERT O./ 05011C Commonwealth Drive Passi City, Iloilo	DIANCO, FELIBERT O. / Record Owner is also Beneficial Owner	Filipino	3,360 10	1.40%
Common Founder	GOMEZ, LUSYL M./ Blk1 lot14 Savannah Crest A, Abilay Norte, Oton,Iloilo	GOMEZ, LUSYL M. / Record Owner is also Beneficial Owner	Filipino	3,360 10	1.40%
Common Founder	DAULO, SYLVA L./ Mirasol Subd., Nabitasan Lapaz, Iloilo City	DAULO, SYLA L. / Record Owner is also Beneficial Owner	Filipino	3,350 10	1.40%

The company is not yet operating its hospital hence there is no unrestricted retained earnings that could be used for dividends.

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

B. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) or PLAN OF OPERATION AS OF 31 MARCH 2023

PLAN OF OPERATION

The Inauguration of APMC Iloilo was held last 28 May 2023. Construction activities is mostly on testing and commissioning of finished works, and minor modifications and retouch of architectural finishes.

The hospital management team continue to comply with the documentary and operational requirements of the Department of Health for the hospitals License to Operate.

All departments continue the regular orientation and training in preparation for a fully integrated Hospital Information System. The Nursing Service Office In-house trainings are in order on top of its continuous recruitment of additional nursing staff. The Medical Services Office is completing the roster of Medical Staff, including the Junior Consultants and Hospitalists that will man the different clinical departments and units once operation starts.

When all requirements are complied with, commercial operation will be on the 3rd quarter of 2023.

The additional loan request which the company has submitted to Landbank of the Philippines for presentation last May 2023 is still pending for approval. To furnish the cash requirements in anticipation of commercial operation, a request for additional working capital and a short term credit loan were among the specific terms included in the financial assistance. Additional loan facility for some equipment purchase, not included in the original list is also included in the request.

As of date, the remaining IPO shares are eight (8) blocks.

As of the moment and the next twelve months, there is no plan for any product research and development by the company.

Significant hospital equipment yet to be paid/acquired/delivered are the Diagnostic and Laboratory Machines, Pulmonary Function Test Machine, Yag Laser Zeiss, Shockwave Therapy Machines, 2D Echo machines, EEG, EMG, ECG Machines, Treadmill Machine, EMG machine, Eye Centre equipment (532 Argon Laser Tuscan, Chaco Machine) , Endoscopy unit, C Flexible Bronchoscope, Fully Automated Blood Bank System, Telemetry Portable Ultrasound Machine, Ambulatory BP Machine Monitoring, Apheresis Machine, CPAP, Autoclaves, Crash Carts, Dental Chairs and Instruments, Pulse Dosimeters, Gene/OB Delivery Sets, Weighing scales, Dressing Trays, Other Surgical Instruments, NICU Equipment (infant warmers) Other Rehab equipment are also yet to be purchased.

At present, the hospital has Two Hundred Fifty Five (255) employees. As we plan to open this year, a minimum of Six Hundred Ninety Four (694) employees are expected to be contracted, in compliance with the manpower requirements for the 100 bed capacity the hospital has applied for in its initial operation. This number includes nurses and the rest of the direct and indirect labor force.

RESULT OF OPERATIONS

	Mar 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Revenue		0		0	0
Direct Cost		0		0	0
Gross Profit		0		0	0
Other Income	7,850	119,929	22,133	107,317	97,953
Gross Income	7,850	119,929	22,133	107,317	97,953
General and Admin Expenses	7,784,532	22,053,192	19,051,323	29,646,352	25,904,499
Loss From Operations	-7,776,282	-21,933,263	-19,029,190	-29,539,035	-25,806,546
Finance Cost	10,043,780	30,288,654	15,977,437	13,830,175	11,456,490
Net Loss Before Income Tax	-17,820,462	-52,221,917	-35,006,627	-43,369,210	-37,263,036
Income Tax Expense	0	0		0	0
Net Loss for The Year	-17,820,462	-52,221,917	-35,006,627	-43,369,210	-37,263,036
Other Comprehensive Income/(Loss) for the Year	0	0		0	0
Total Comprehensive Loss for the Year	-17,820,462	-52,221,917	-35,006,627	-43,369,210	-37,263,036

The hospital is still under construction. As of end of March 31, 2023, hospital construction completion rate is at 99.38% The hospital is expected to commence its operation on the second half of the year 2023.

STATEMENT OF FINANCIAL CONDITION

<u>ASSETS</u>	March 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
CURRENT ASSETS					
Cash	56,734,380	11,514,559	14,514,332	48,022,046	15,371,215
Unused Office Supplies	1,218,028	0	0	0	0
Advances to Related Party	38,982,653	35,595,773	35,595,773	32,063,203	289,039,039
Other Receivables	2,835,825	2,438,056	3,237,553	140,652	167,922
Advances to Contractors	60,439,244	58,043,017	55,086,837	46,605,879	30,955,691
Advances to Suppliers	5,500	1,551,654	6,671,744	7,022,271	3,515,904
Prepayments	1,640,962	559,910	326,013	213,858	192,306
	161,856,592	109,702,969	115,432,252	134,067,909	339,242,077
NON-CURRENT ASSETS					
Property and Equipment (net)	473,007,663	447,444,919	417,804,618	412,944,976	155,918,076
Construction-In-Progress	1,622,612,249	1,536,817,631	1,357,724,224	1,215,428,067	993,243,626
Intangible Asset (net)	0	0	8,333	0	0
Other Non-Current Assets	5,015,171	5,015,171	5,015,171	5,015,288	225,000
	2,100,635,083	1,989,277,721	1,780,552,346	1,633,388,331	1,149,386,702
TOTAL ASSETS	2,262,491,675	2,098,980,690	1,895,984,598	1,767,456,240	1,488,628,779

LIABILITY AND EQUITY	March 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
CURRENT LIABILITIES					
Accounts Payable and Other Liabilities	105,131,893	128,094,504	87,252,859	96,662,087	67,510,071
Income Tax Payable	0	0		288	0
Accounts Payable - PTP	4,705,000	4,705,000	0	0	0
Loans Payable to Individuals	20,453,700	20,766,700	23,000,000	30,343,471	0
Loans Payable to Related Party	246,434,969	237,834,969	108,834,969	0	75,250,000
Notes Payable - Current Portion	19,372,947	28,747,867	35,055,603	19,393,250	17,970,720
	396,098,509	420,149,040	254,143,431	146,399,096	160,730,791
NON-CURRENT LIABILITIES					
Notes Payable - net of Current Portion	923,725,009	857,748,031	826,262,841	856,996,830	739,241,760
Advances from Shareholders	0	0	0	0	260,878,684
	923,725,009	857,748,031	826,262,841	856,996,830	1,000,120,444
TOTAL LIABILITIES	1,319,823,518	1,277,897,071	1,080,406,272	1,003,395,926	1,160,851,235

MANAGEMENT'S DISCUSSION and ANALYSIS

Results of operations comparative for March 31, 2023 as compared to March 31, 2022

	March 31, 2023		March 31, 2022		March 31, 2022	
	March 31, 2023	March 31, 2022	Horizontal Analysis Inc.//(Dec.)	%	Vertical Analysis 3/31/2023	3/31/2022
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	7,822	3,036	4,786	157.64%	NA	NA
Gross Income	7,822	3,036	4,786	157.64%	NA	NA
General and Admin Expenses	7,784,532	4,367,879	3,416,653	78.22%	NA	NA
Loss From Operations	-7,776,710	-4,364,843	-3,411,867	78.17%	NA	NA
Finance Cost	10,043,780	5,352,557	4,691,223	87.64%	NA	NA
Net Loss Before Income Tax	-17,820,490	-9,717,400	-8,103,090	83.39%	NA	NA
Income Tax Expense	0	0	0	0.00%	NA	NA
Net Loss for The Year	-17,820,490	-9,717,400	-8,103,090	83.39%	NA	NA
Other Comprehensive Income/(Loss) for the Year	0	0	0	0.00%	NA	NA
Total Comprehensive Loss for the Year	-17,820,490	-9,717,400	-8,103,090	83.39%	NA	NA

Changes in Results of Operation - March 31, 2023 vs March 31, 2022

Other Income	The hospital is not yet operational, thus, the amount recorded as other income primarily come from the bank interests from bank deposits. The increase that is reflected is normally due to the fluctuation of balances maintained during the year.
General and Administrative Expenses	Though the hospital is still not operating, there already are expenses incurred due to administrative and management transaction during the construction period. March 2023 posted bigger expenses mainly because of the increase in the manpower salaries and wages. As compared to March 2022, personnel now are 4x the size as last year. The company has been hiring employees in preparation for the opening of the hospital within the year 2023.
Finance Cost	Given the financial predicament of the company, there was a need to seek additional financial assistance so as to sustain the construction of the hospital and not to ignore acquisition of hospital equipment. This FAs did not come for free. Interest payments were made which was reflected in the amounts recorded as finance costs.
Loss for the Year	Losses are incurred because the hospital is not yet operational and still in the construction phase. Expenses now due to admin and general costs are more than the meager interest (other) income earned by the company out of its deposit accounts. The general and administrative costs and the finance costs were higher this March 2023 as compared to the same period in 2022. And this is

reflected in the financial statements of the company.

Results of operations comparative for December 31, 2022 as compared to December 31, 2021

	Dec. 31, 2022	Dec. 31, 2021	Horizontal Analysis		Vertical Analysis	
			Inc./ (Dec.)	%	12/31/2022	12/31/2021
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	119,929	22,133	97,796	441.86%	NA	NA
Gross Income	119,929	22,133	97,796	441.86%	NA	NA
General and Admin Expenses	22,053,192	19,051,322	3,001,870	15.76%	NA	NA
Loss From Operations	-21,933,263	-19,029,189	-2,904,074	15.26%	NA	NA
Finance Cost	30,288,654	15,977,437	14,311,217	89.57%	NA	NA
Net Loss Before Income Tax	-52,221,917	-35,006,627	-17,215,290	49.18%	NA	NA
Income Tax Expense	0	0	0	0.00%	NA	NA
Net Loss for The Year	-52,221,917	-35,006,627	-17,215,290	49.18%	NA	NA
Other Comprehensive Income/(Loss) for the Year	0	0	0	0.00%	NA	NA
Total Comprehensive Loss for the Year	-52,221,917	-35,006,627	-17,215,290	49.18%	NA	NA

Changes in Results of Operation - December 31, 2022 vs December 31, 2021

Other Income

Interest income from bank deposits is the primary source of other income that the company recorded. The amount earned as interest is normally dependent on the balances maintained in the bank.

General and Administrative Expenses

Expenses on salaries and wages were the primary reason for the variance in the general and administrative expenses. Since the middle of 2022, the hospital has been interviewing and hiring people for the various positions and functions in the hospital. This is in preparation for the opening of the hospital in 2023.

Finance Cost

Interest on loans in relation to the construction of the hospital and the acquisition of equipment primarily caused the amount of finance costs recorded. In the year 2022, the hospital has contracted more suppliers for this purpose, thus, the expected costs of this transactions.

Loss for the Year

Given the non-operation of the hospital, it is expected that there will be loss to be declared due to the administrative and general expenses of the company.

Results of operations comparative for December 31, 2021 as compared to December 31, 2020

	Dec. 31, 2021	Dec. 31, 2020	Horizontal Analysis		Vertical Analysis	
			Inc./ (Dec.)	%	12/31/2021	12/31/2020
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	19,051,322	29,646,352	-10,595,030	-35.74%	NA	NA
Loss From Operations	19,029,189	29,539,035	10,509,846	35.58%	NA	NA
Finance Cost	15,977,437	13,830,175	2,147,262	15.53%	NA	NA
Net Loss Before Income Tax	35,006,626	43,369,210	8,362,584	19.28%	NA	NA
Income Tax Expense	0	0	0	0.00%	NA	NA
Net Loss for The Year	35,006,626	43,369,210	8,362,584	19.28%	NA	NA
Other Comprehensive Income/(Loss) for the Year	0	0	0	0.00%	NA	NA
Total Comprehensive Loss for the Year	35,006,626	43,369,210	8,362,584	19.28%	NA	NA

Changes in Results of Operation - December 31, 2021 vs December 31, 2020

Other Income	Recorded as other income are mostly interest income. Any increase or decrease in the balance reported is due mainly to the fluctuation of the account balances during the year.
General and Administrative Expenses	Year 2020 and 2021 is the height of the pandemic, there were several restrictions that the government implemented. Working during that time was very challenging given the restrictions. There was stoppage of work, transport restrictions, accessibility issues, and a lot more. Given so, administrative and general expenses were also limited, thus, the decrease in the total expenditures reflected in 2021.
Finance Cost	These are the finance charges collected by the bank for the money borrowed. This is more on the purchase of various fixtures and equipment for the hospital.
Loss for the Year	Losses due primarily to the general and admin expenses in relation to the construction of the hospital building.

Results of operations comparative for December 31, 2020 as compared to December 31, 2019

	Dec. 31, 2020	Dec. 31, 2019	Horizontal Analysis		Vertical Analysis	
			Inc./ (Dec.)	%	12/31/2020	12/31/2019
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	107,317	97,953	9,364	9.56%	NA	NA
Gross Income	107,317	97,953	9,364	9.56%	NA	NA
General and Admin Expenses	29,646,352	25,904,499	3,741,853	14.44%	NA	NA
Loss From Operations	-29,539,035	-25,806,546	-3,732,489	14.46%	NA	NA
Finance Cost	13,830,175	11,456,490	2,373,685	20.72%	NA	NA
Net Loss Before Income Tax	-43,369,210	-37,263,036	-6,106,174	16.39%	NA	NA
Income Tax Expense	0	0	0	0.00%	NA	NA
Net Loss for The Year	-43,369,210	-37,263,036	-6,106,174	16.39%	NA	NA
Other Comprehensive Income/(Loss) for the Year	0	0	0	0.00%	NA	NA
Total Comprehensive Loss for the Year	-43,369,210	-37,263,036	-6,106,174	16.39%	NA	NA

Changes in Results of Operation - December 31, 2020 vs December 31, 2019

Other Income	Recorded as other income are mostly interest income. Increase or decrease in the balance reported is due mainly to the fluctuation of the account balances during the year.
General and Administrative Expenses	The biggest contributor for the expenses in 2020 (as against 2019) was the take up honorariums during the year. Aside from the increased number of meetings so as to find ways to combat the effects of the pandemic which is getting stronger and stronger during that time, previous years' balances were also taken up to adhere to the matching standards of accounting.
Finance Cost	These are the finance charges collected by the bank for the money borrowed. This is more on the purchase of various fixtures and equipment for the hospital.
Loss for the Year	Losses due primarily to the general and admin expenses in relation to the construction of the hospital building.

Changes in Financial Condition for March 31, 2023 as compared to March 31, 2022

<u>ASSETS</u>	March 31, 2023	March 31, 2022	Difference	Rate Change
CURRENT ASSETS				
Cash	56,734,380	20,783,898	35,950,482	172.97%
Unused Office Supplies	1,218,028	49,629	1,168,399	0.00%
Advances to Related Party	38,982,653	35,595,773	3,386,880	9.51%
Other Receivables	2,835,825	3,144,704	-308,879	-9.82%
Advances to Contractors	60,439,244	52,559,952	7,879,292	14.99%
Advances to Suppliers	5,500	1,546,154	-1,540,654	-99.64%
Prepayments	1,640,962	1,633,228	7,734	0.47%
	161,856,592	115,313,338	46,543,254	40.36%
NON-CURRENT ASSETS				
Property and Equipment (net)	473,007,663	431,177,070	41,830,593	9.70%
Construction-In-Progress	1,622,612,249	1,405,050,225	217,562,024	15.48%
Intangible Asset (net)	0	0	0	0
Other Non-Current Assets	5,015,171	5,015,171	0	0.00%
	2,100,635,083	1,841,242,466	259,392,617	14.09%
TOTAL ASSETS	2,262,491,675	1,956,555,804	305,935,871	15.64%
<u>LIABILITY AND EQUITY</u>	March 31, 2023	March 31, 2022	Difference	Rate Change
CURRENT LIABILITIES				
Accounts Payable and Other Liabilities	105,131,893	88,104,766	17,027,127	19.33%
Income Tax Payable	0	0	0	0.00%
Accounts Payable - PTP	4,705,000	4,485,000	220,000	4.91%
Loans Payable to Individuals	20,453,700	22,649,700	-2,196,000	-9.70%
Loans Payable to Related Party	246,434,969	153,834,969	92,600,000	60.19%
Notes Payable - Current Portion	19,372,947	26,291,702	-6,918,755	-26.32%
	396,098,509	295,366,137	100,732,372	34.10%
NON-CURRENT LIABILITIES				
Notes Payable - net of Current Portion	923,725,009	826,262,841	97,462,168	11.80%
Advances from Shareholders	0	0	0	0
	923,725,009	826,262,841	97,462,168	11.80%
TOTAL LIABILITIES	1,319,823,518	1,121,628,978	198,194,540	17.67%
EQUITY				
Share Capital (net)	239,630,000	235,080,000	4,550,000	1.94%
Share Premium	918,728,829	755,212,519	163,516,310	21.65%
Deficit	-215,690,672	-155,365,693	-60,324,979	38.83%
	942,668,157	834,926,826	107,741,331	12.90%
TOTAL LIABILITIES AND EQUITY	2,262,491,675	1,956,555,804	305,935,871	15.64%

ASSETS**Changes in Statement of Financial Condition
March 31, 2023 vs March 31, 2022**

Cash and Cash Equivalents	<p>The priority of using cash has always been directed to the construction of the hospital as payments for obligations or procurement of certain machine. That is the very reason why cash balances have been a little low. We are hoping for a better figure once the hospital starts operating.</p>
Unused Supplies	<p>The account was set up mainly as preparation for the upcoming opening of the hospital which is expected within the year 2023.</p>
Receivables and Advances	<p>Advances made in favor of the contractors and suppliers were taken up to recognize down payments made by the company. Hospital construction progressed further, and these amounts of receivables also increased, thus, these were taken up separately under separate titles as advances from contractors which was at P60.4M in March, 2023 and P52.6M in March 2022. Advances from Suppliers were almost collected 100% this year 2023 with only P5.0K remaining from the previous year's balance of P1.5M.</p>
Advances to Related Party	<p>This account was set up to reflect the amount advanced to the indentor (Endure) hired by the company to assist in the procurement of various equipment and machineries. In 2017, the company recorded total payments to the indentor amounting to P118.4M. Additional payments were made the next year amounting to P131.9M and still an additional amount in 2019 amounting to P38.7M. Total advances recorded as of Dec. 2019 is P289.0M.</p> <p>In 2020, a big portion of the equipment and machineries were already transferred to the hospital site in preparation for the supposedly opening that year. A total of P257.0M were slashed out of the advances account and eventually taken us as part of the company assets. Ending balance for 2020 is P32.0M.</p> <p>In 2021, the company recorded the downpayment to TIPP Plus amounting to P3.5M. 2021 & 2022 Year-end balance for the account is 64.99M and P35.59M. In March 2023, Related Party transaction totaled, P38.98M, with the additional advances made to TIPP Plus during the 1st quarter.</p>
Prepayments	<p>Recorded in the account is the insurance for the building that the company procured . The March, 2023 balance represents the remaining balance of the account which is almost midway of the amortization of the premium and the newly incurred insurance for the building. There is not much difference in the 2023 and 2022 figures.</p>
Property and Equipment	<p>The company started purchasing office and facility equipment beginning 2016. As of 2017, the balance recorded for the account is P41.0M. It grew to P96.6M in 2018 and eventually P155.9M as of Dec. 2019. In 2020, P257.0M were transferred from advances to related party to the PPE account to take up the delivered portion of the purchased hospital equipment. 2021 and 2022 Net ending balance of the account was P417.8M and P447.4M.</p> <p>The equipment was transferred to the hospital site in preparation for the opening of the hospital. As at end of March 2023, total PPEs (net) stand at P473.0M which was P41.0M higher than the previous year of the same period.</p>
Construction in Progress	<p>As at March 31, 2023, the total amount used for the construction of the building is P1.62B. In 2017, year-end total was 308.2M. Additional costs recorded in the next 4 years: P279.3 in 2018; P405.7 in 2019; P222.2M in 2020; P142.3M in 2021, 2022 179.0M.</p>
Other Non-Current Assets	<p>The amount reflected as other non-current assets included rental deposits made for</p>

the IMSoffice (P15.0K) and the deposits for MORE Power amounting to P5.0M.

LIABILITIES

Accounts payable and Other Liabilities	<p>The accounts payable account is comprised mostly of Retention Payables, GovernmentLiabilities, and Other Payables. The balance of the account as of March 31, 2023 amounts to P105.1M which is P17.0M higher than what was in March, 2022.</p>
Accounts Payable - PTP	<p>This is the account where the payments made by doctors who wish to do their practice at APMCI are recorded. At present, the balance of the account is P 4.70M.</p>
Loans Payable to Individuals and Advances from Shareholders	<p>These are voluntary advances from shareholders made at the early part of the construction. The intention is to augment the funds of the company in the early part of the construction given that the license to sell of the company was not yet approved by the SEC. The license was issued 2019, thus, the company started selling the securities. From then on, these advances were gradually liquidated. Year-end 2021, the balance stands at P23.0M and as of December, 2022, balance stands at P20.7M. Current balance registered is P20.4M.</p>
Loans Payable to Related Party	<p>In June 2021, the company borrowed money from Phil Pharmawealth, Inc. amounting to P11.83M. Along the way, additional releases were made in favor of the company. As at March 31, 2023, total loans now stand at P246.4M.</p>
Notes Payable	<p>The company forged a loan agreement with Land Bank of the Philippines for its hospital construction and equipment. Total loan amount would be P1.06B. These loans were released in tranches, at the end of 2017, bank loans totaled P222.78M. Additional loans of P241.37M were released in 2018. In 2019 ending balance of the loan account soared to P757.21M with the release of additional loans of P293.06M during the year. At the end of 2020, loan balance was at P876.39M after receiving the year's bank assistance of P119.18M. Outstanding loans in 2021 and 2022 is P861.3M and P886.4M. As at March 31, 2023 outstanding loans from LBP totals P943.1.</p>
<h2>EQUITIES</h2>	
Capital Shares	<p>Outstanding capital shares are as follows: 2017 P120.0M, this represents initial shares paid for by the founders of the company. In 2018, additional capital amounting P21.0M were collected. Total at the end of the year stands at P141.0M. In 2019, the SEC approved the license to sell of the company, thus, from then on, the company was able to sell shares of stocks to the public. Total amount added in 2019 was P27.15M while year 2020 added another P53.08M. 2021 year-end balance stands at P235.06M which is equivalent to 235,060 shares sold. In 2022, 610 shares were sold, thus, ending balance as at 2022 is P235,67M (235,670 shares).</p> <p>In 2023, additional 3960 shares were sold amounting to P3.96M. As at April 2023, the ending balance was P239.63M (239,630 shares)</p>
Share Premium	<p>Stocks sold at IPO vary in price depending on the tranche from where you bought the shares. The first tranche was sold at P250.0k (26000 shares). The second was sold at P300.0K (5000shares. And the third is being sold at P400.0K (5000 shares). These shares were sold at a premium. Total premiums recorded out of the IPO sales amount to P927.3M as of end of March 31, 2023.</p>
Deficit	<p>There has been no operation income recognized since the start because the company is still in the construction stage of the hospital. We have recognized administrative and general expenses since 2016 and these figures already piled up and now present a total deficit of P224.37M.</p>

Changes in Financial Condition for December 31, 2022 as compared to December 31, 2021

<u>ASSETS</u>	December 31, 2022	December 31, 2021	Difference	Rate Change
CURRENT ASSETS				
Cash	11,514,559	14,514,332	-2,999,773	-20.67%
Unused Office Supplies	0	0	0	0.00%
Advances to Related Party	35,595,773	35,595,773	0	0.00%
Other Receivables	2,438,056	3,237,553	-799,497	-24.69%
Advances to Contractors	58,043,017	55,086,837	2,956,180	5.37%
Advances to Suppliers	1,551,654	6,671,744	-5,120,090	-76.74%
Prepayments	559,910	326,013	233,897	71.74%
	109,702,969	115,432,252	-5,729,283	-4.96%
NON-CURRENT ASSETS				
Property and Equipment (net)	447,444,919	417,804,618	29,640,301	7.09%
Construction-In-Progress	1,536,817,631	1,357,724,224	179,093,407	13.19%
Intangible Asset (net)	0	8,333	-8,333	0.00%
Other Non-Current Assets	5,015,171	5,015,171	0	0.00%
	1,989,277,721	1,780,552,346	208,725,375	11.72%
TOTAL ASSETS	2,098,980,690	1,895,984,598	202,996,092	10.71%
<u>LIABILITY AND EQUITY</u>	December 31, 2022	December 31, 2021	Difference	Rate Change
CURRENT LIABILITIES				
Accounts Payable and Other Liabilities	128,094,504	87,252,859	40,841,645	46.81%
Income Tax Payable	0	0	0	0.00%
Accounts Payable - PTP	4,705,000	0	4,705,000	0.00%
Loans Payable to Individuals	20,766,700	23,000,000	-2,233,300	-9.71%
Loans Payable to Related Party	237,834,969	108,834,969	129,000,000	118.53%
Notes Payable - Current Portion	28,747,867	35,055,603	-6,307,736	-17.99%
	420,149,040	254,143,431	166,005,609	65.32%
NON-CURRENT LIABILITIES				
Notes Payable - net of Current Portion	857,748,031	826,262,841	31,485,190	3.81%
Advances from Shareholders	0	0	0	0.00%
	857,748,031	826,262,841	31,485,190	3.81%
TOTAL LIABILITIES	1,277,897,071	1,080,406,272	197,490,799	18.28%
EQUITY				
Share Capital (net)	235,670,000	235,060,000	610,000	0.26%
Share Premium	783,283,829	726,166,619	57,117,210	7.87%
Deficit	-197,870,210	-145,648,293	-52,221,917	35.85%
	821,083,619	815,578,326	5,505,293	0.68%
TOTAL LIABILITIES AND EQUITY	2,098,980,690	1,895,984,598	202,996,092	10.71%

MANAGEMENT REPORT

ASSETS**Changes in Statement of Financial Condition
December 31, 2022 vs December 31, 2021**

Cash and Cash Equivalents	The construction has been in full swing. And now that pandemic has relaxed a little, hospital construction had gone double time to make up for some lost time. This, however, also meant that funds are very much needed. This is the reason why cash balances of the company are maintained at the lower level, because cash is always needed ... to pay off obligations, to purchase materials, equipment, etc.
Receivables and Advances	Advances and receivables in 2022 increased by P4.0M from last year's total. These advances were made to allow suppliers to procure for their initial supplies and materials which will be used in the hospital construction.
Advances to Related Party	Advances to related party remained the same at P35.6M. This includes advances to Endure, and TIPP Plus.
Prepayments	Recorded in the account is the insurance for the building that the company procured. The balance represents the remaining amount of the account which is net of the amortization of the premium and the newly incurred insurance for the building. There is not much difference in the 2022 and 2021 figures.
Property and Equipment	Company assets increased by almost 30.0M during the year. This is due to the acquisition of additional hospital equipment. Balance of Property and Equipment now stands P447.0M as against prior year's P417.0M
Construction in Progress	Building construction is now at P1.536M. This is P179M higher than the previous year's balance of 1.357M.
Intangible Assets	Zero accounting System was installed to help in the proper recording of transactions before the installation of the TIPP Plus HIS. During the year, the last amortization of P8,333 was made, thus, at year end 2022, the intangible account was already reflected at zero balance.
Other Non-Current Assets	The amount reflected as other non-current assets included rental deposits made for the IMS office (P15.0K) and the deposits for MORE Power amounting to P5.0M.
LIABILITIES	
Accounts payable and Other Liabilities	Accounts payable balance as of end of December 2022 amounts to P128.0M, this is P40.84M higher than what was at previous year (P87.2M). Among those recorded as Accounts Payable are Retention payable, Government liabilities, interest accruals.
Accounts Payable - PTP	This is the account where the payments made by doctors who wish to do their practice at APMCI are recorded. At present, the balance of the account is P 4.70M.
Loans Payable to Individuals and Advances from Shareholders	These are voluntary advances from shareholders made at the early part of the construction. The intention is to augment the funds of the company in the early part of the construction given the license to sell of the company was not yet approved by the SEC. The license was issued 2019, thus, the company started selling the securities. From then on, these advances were gradually liquidated. Year-end 2021, the balance stands at P23.0M and as of December, 2022, balance stands at P20.7M.
Loans Payable to Related Party	In June 2021, the company borrowed money from Phil Pharmawealth, Inc. amounting to P11.83M. Along the way, additional releases were made in favor of the company. As at December, 2022, total loans stand at P237.8M.

Notes Payable The company forged a loan agreement with Land Bank of the Philippines for its hospital construction and equipment. Total loan amount would be P1.06B. These loans were released in tranches, at the end of 2017, bank loans totaled P222.78M. Additional loans of P241.37M were released in 2018. In 2019 ending balance of the loan account soared to P757.21M with the release of additional loans of P293.06M during the year. At the end of 2020, loan balance was at P876.39M after receiving the year's bank assistance of P119.18M. Outstanding loans in 2021 and 2022 is P861.3M and P886.4M.

EQUITIES

Capital Shares Capital shares increased 610 shares in 2022. Actual count as of December 31, 2022 is 235,670 while total sold shares at the end of 2021 is only 235,060.

Share Premium Net premium recorded at year end 2022 is P783.3M. This is P57M higher than last year's total of P726.2M.

Deficit The outstanding deficit as of December 31, 2021 is P145.6M. However, additional losses of P28.M were recorded during the year, thus, the new deficit balance at year end 2022 is P197.87M.

Changes in Financial Condition for December 31, 2021 as compared to December 31, 2020

<u>ASSETS</u>	December 31, 2021	December 31, 2020	Difference	Rate Change
CURRENT ASSETS				
Cash	14,514,332	48,022,046	-33,507,714	-69.78%
Unused Office Supplies	0	0	0	0.00%
Advances to Related Party	35,595,773	32,063,203	3,532,570	11.02%
Other Receivables	3,237,553	140,652	3,096,901	2201.82%
Advances to Contractors	55,086,837	46,605,879	8,480,958	18.20%
Advances to Suppliers	6,671,744	7,022,271	-350,527	-4.99%
Prepayments	326,013	213,858	112,155	52.44%
	115,432,252	134,067,909	-18,635,657	-13.90%
NON-CURRENT ASSETS				
Property and Equipment (net)	417,804,618	412,944,976	4,859,642	1.18%
Construction-In-Progress	1,357,724,224	1,215,428,067	142,296,157	11.71%
Intangible Asset (net)	8,333	0	8,333	0.00%
Other Non-Current Assets	5,015,171	5,015,228	-57	0.00%
	1,780,552,346	1,633,388,271	147,164,075	9.01%
TOTAL ASSETS	1,895,984,598	1,767,456,180	128,528,418	7.27%

<u>LIABILITY AND EQUITY</u>	December 31, 2021	December 31, 2020	Difference	Rate Change
CURRENT LIABILITIES				
Accounts Payable and Other Liabilities	87,252,859	96,662,087	-9,409,228	-9.73%
Income Tax Payable		228	-228	0.00%
Accounts Payable - PTP	0	0	0	0.00%
Loans Payable to Individuals	23,000,000	30,343,471	-7,343,471	-24.20%
Loans Payable to Related Party	108,834,969	0	108,834,969	#DIV/0!

MANAGEMENT REPORT

Notes Payable - Current Portion	35,055,603	19,393,250	15,662,353	80.76%
	254,143,431	146,399,036	107,744,395	73.60%
NON-CURRENT LIABILITIES				
Notes Payable - net of Current Portion	826,262,841	856,996,830	-30,733,989	-3.59%
Advances from Shareholders	0	0	0	0.00%
	826,262,841	856,996,830	-30,733,989	-3.59%
TOTAL LIABILITIES	1,080,406,272	1,003,395,866	77,010,406	7.67%
EQUITY				
Share Capital (net)	235,060,000	221,234,000	13,826,000	6.25%
Share Premium	726,166,619	653,467,980	72,698,639	11.13%
Deficit	-145,648,293	-110,641,666	-35,006,627	31.64%
	815,578,326	764,060,314	51,518,012	6.74%
TOTAL LIABILITIES AND EQUITY	1,895,984,598	1,767,456,180	128,528,418	7.27%

ASSETS

Changes in Statement of Financial Condition December 31, 2021 vs December 31, 2020

Cash and Cash Equivalents	Cash has always been the most used resources, especially during the construction phase of the building or of any project. In this case, where the construction of the hospital is on-going, cash is always used to settle obligations, purchase materials, pay salaries, etc.
Receivables and Advances	Advances and receivables in 2021 increased by P11.2M from last year's total. These advances were made to allow suppliers to procure for their initial supplies and materials which will be used in the hospital construction.
Advances to Related Party	Increase of P 3.53M in the account is due to the advances made IFO TIPP Plus. Present balance of the account stands P35.59M.
Prepayments	Recorded in the account is the insurance for the building that the company procured. The balance represents the remaining amount of the account which is net of the amortization of the premium and the newly incurred insurance for the building. There is not much difference in the 2021 and 2020 figures.
Property and Equipment	Year-end balance for Property and Equipment amounts to P417.8M. Additional equipment was purchased during the year, thus the increase of P4.8M from previous year's total of P412.9M.
Construction in Progress	Despite the pandemic, the construction continued to move. As at the end of the year, a total of P142.3M was added to last year's total of P1.215B. 2021 year-end balance for the account is P1.357B
Intangible Assets	As at year end 2021, the balance of the intangible account is only P8,333. This is the remaining of the P50,000.00 principal cost of Zero Accounting System.
Other Non-Current Assets	The amount reflected as other non-current assets included rental deposits made for the IMS office (P15.0K) and the deposits for MORE Power amounting to P5.0M.

LIABILITIES

Accounts payable and Other Liabilities	There was quite a decrease (P9.41M) in the accounts payable as at the end of the year 2021. Billings received from contractors were mostly covered before the year ended, thus, checks were prepared for their payment and eventually settled. As of end of 2021, total accounts payable amounted to P87.25M
Loans Payable to Individuals and Advances from Shareholders	These are voluntary advances from shareholders made at the early part of the construction. The intention is to augment the funds of the company in the early part of the construction given that the license to sell of the company was not yet approved by the SEC. The license was issued 2019, thus, the company started selling the securities. From then on, these advances were gradually liquidated. Year-end 2021, the remaining balance stands at P23.0M.
Loans Payable to Related Party	In June 2021, the company borrowed money from Phil Pharmawealth, Inc. amounting to P11.83M to help defray its obligations. Along the way, several additional releases were made in favor of the company. As at December, 2021, total loans stand at P108.83M.
Notes Payable	The company forged a loan agreement with Land Bank of the Philippines for its hospital construction and equipment. Total loan amount would be P1.06B. These loans were released in tranches, at the end of 2017, bank loans totaled P222.78M. Additional loans of P241.37M were released in 2018. In 2019 ending balance of the loan account soared to P757.21M with the release of additional loans of P293.06M during the year. At the end of 2020, loan balance was at P876.39M after receiving the year's bank assistance of P119.18M. Outstanding loans in 2021 is P861.3M.

EQUITIES

Capital Shares	Year-end balance for share capital is P235.06M. The company was able to sell/collect a total of P13.826M worth of shares in 2021 to increase the balance from P221.234M
Share Premium	Net premium recorded an increase of P72.698M for 2021. Over-all, the year-end balance of the account is P726.17M.
Deficit	Deficit for 2021 increased by P35.01M from P110.64M. The total year end deficit stands at P145.65M

Changes in Financial Condition for December 31, 2020 as compared to December 31, 2019

<u>ASSETS</u>	December 31, 2020	December 31, 2019	Difference	Rate Change
CURRENT ASSETS				
Cash	48,022,046	15,371,215	32,650,831	212.42%
Unused Office Supplies	0	0	0	0.00%
Advances to Related Party	32,063,203	289,039,039	-256,975,836	-88.91%
Other Receivables	140,652	167,922	-27,270	-16.24%
Advances to Contractors	46,605,879	30,955,691	15,650,188	50.56%
Advances to Suppliers	7,022,271	3,515,904	3,506,367	99.73%
Prepayments	213,858	192,306	21,552	11.21%
	134,067,909	339,242,077	-205,174,168	-60.48%

NON-CURRENT ASSETS

Property and Equipment (net)	412,944,976	155,918,076	257,026,900	164.85%
Construction-In-Progress	1,215,428,067	993,243,626	222,184,441	22.37%
Intangible Asset (net)	0	0	0	0.00%
Other Non-Current Assets	5,015,228	225,000	4,790,228	2128.99%
	1,633,388,271	1,149,386,702	484,001,569	42.11%

TOTAL ASSETS	1,767,456,180	1,488,628,779	278,827,401	18.73%
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LIABILITY AND EQUITY

**December 31,
2020**

**December 31,
2019**

Difference

Rate Change

CURRENT LIABILITIES

Accounts Payable and Other Liabilities	96,662,087	67,510,071	29,152,016	43.18%
Income Tax Payable	228	0	228	0.00%
Accounts Payable - PTP	0	0	0	0.00%
Loans Payable to Individuals	30,343,471	75,250,000	-44,906,529	-59.68%
Loans Payable to Related Party	0	0	0	#DIV/0!
Notes Payable - Current Portion	19,393,250	17,970,720	1,422,530	7.92%
	146,399,036	160,730,791	-14,331,755	-8.92%

NON-CURRENT LIABILITIES

Notes Payable - net of Current Portion	856,996,830	739,241,760	117,755,070	15.93%
Advances from Shareholders	0	260,878,684	-260,878,684	0.00%
	856,996,830	1,000,120,444	-143,123,614	-14.31%

TOTAL LIABILITIES	1,003,395,866	1,160,851,235	-157,455,369	-13.56%
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EQUITY

Share Capital (net)	221,234,000	168,150,000	53,084,000	31.57%
Share Premium	653,467,980	226,900,000	426,567,980	188.00%
Deficit	-110,641,666	-67,272,456	-43,369,210	64.47%
	764,060,314	327,777,544	436,282,770	133.10%

TOTAL LIABILITIES AND EQUITY	1,767,456,180	1,488,628,779	278,827,401	18.73%
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ASSETS

**Changes in Statement of Financial Condition
December 31, 2020 vs December 31, 2019**

Cash and Cash Equivalents

The most used resource of the company is cash. Especially that we are in the construction stage. We can only maintain so much in the account because the funds will again be used to various funding requirement. 2020 Year end cash balance stands P48,022M

Receivables and Advances

Advances and receivables in 2020 increased by P19.2M from previous year's total. These advances were made to allow contractors and suppliers to procure for their initial supplies and materials which will be used in the hospital construction.

Advances to Related Party

This account was set up to reflect the amount advanced to the indentor (Endure) hired by the company to assist in the procurement of various equipment and machineries. In 2017, the company recorded total payments to the indentor

MANAGEMENT REPORT

amounting to P118.4M. Additional payments were made the next year amounting to P131.9M and still an additional amount in 2019 amounting to P38.7M. Total advances recorded as of Dec. 2019 is P289.0M.

In 2020, a big portion of the equipment and machineries were already transferred to the hospital site in preparation for the supposedly opening that year. A total of P257.0M were slashed out of the advances account and eventually taken as part of the company assets. Ending balance for 2020 is P32.0M.

Recorded in the account is the insurance for the building that the company procured. The balance represents the remaining amount of the account which is net of the amortization of the premium and the newly incurred insurance for the building. There is not much difference in the 2022 and 2021 figures.

Prepayments

Property and Equipment

Company assets increased by almost 257.0MM during the year. This is due to the reclassification of advances to related party account to the property & equipment account. The transfer of machines and equipment to the hospital site triggered the reclassification because the machines are already at the hospital's care. Depreciation, though, shall commence only once the machine is already in use. Balance of Property and Equipment stands P 047.0M as against prior year's P417.0M

Construction in Progress

CIP balance stands at P1.215B. This is P222.18M higher than last year's total of P993.24M.

Other Non-Current Assets

The amount reflected as other non-current assets included rental deposits made for the IMS office (P15.0K) and the deposits for MORE Power amounting to P5.0M.

LIABILITIES

Accounts payable and Other Liabilities

Accounts payable balance as of end of December 2020 amounts to P96.6M, this is P29.15M higher than what was at previous year (P67.51M). Among those recorded as Accounts Payable are Retention payable, Government liabilities, interest accruals.

Loans Payable to Individuals and Advances from Shareholders

These are voluntary advances from shareholders made at the early part of the construction. The intention is to augment the funds of the company in the early part of the construction given that the license to sell of the company was not yet approved by the SEC. The license was issued 2019, thus, the company started selling the securities. From then on, these advances were gradually liquidated. Year-end 2020, the balance stands at P30.3M. Balance in 2019 was P336.13M.

Notes Payable

The company forged a loan agreement with Land Bank of the Philippines for its hospital construction and equipment. Total loan amount would be P1.06B. These loans were released in tranches, at the end of 2017, bank loans totaled P222.78M. Additional loans of P241.37M were released in 2018. In 2019 ending balance of the loan account soared to P757.21M with the release of additional loans of P293.06M during the year. At the end of 2020, loan balance was at P876.39M after receiving the year's bank assistance of P119.18M.

EQUITIES

Capital Shares

Capital shares increased 53,084 shares in 2020. Actual count as of December 31, 2020 is 221,234 while total sold shares at the end of 2019 is only 168,150.

Share Premium

Net share premium recorded at year end 2020 is P653.5M. This is P426.57M higher than last year's total of P226.9M.

Deficit

Deficit for 2019 is P67.3M. During the year, a total loss of P43.4 was recorded, thus, the total deficit as of Dec. 31, 2020 is P 110.64M.

TRENDS, EVENTS and UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME

The company is still in the process of constructing the hospital. It cannot be avoided to incur losses due to the current status of construction. However, projections for the hospital are quite brighter when it opens its doors to the public. Rate of completion as of March 31, 2023 is at 99.38%, and barring more delays, construction should finish this 2nd half of 2023 and hopefully, operations could start immediately.

There are no known trends that has material impact on the company's liquidity.

There are no events as of this time that will trigger direct or contingent financial obligation that is material to the company. Presently there is no default and acceleration of an obligation.

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

Significant hospital equipment yet to be paid/acquired are the Diagnostic and Laboratory Machines, and equipment for the Dialysis unit, Ophthalmology unit, Endoscopy unit, and ambulance. Source of funds of the yet to be bought equipment will come from the remaining unreleased loan from LBP.

If there is uncertainty that the company faces now, it would be the long term effect of COVID 19. To date, experts cannot predict exactly when this pandemic would end. At present, the pandemic did not only affect to the construction of the building, as a whole, but as well as the resources where the funding of the construction emanates. Sale of securities have been greatly affected because the priorities of the investing public changed. But we are all hopeful that this will turn around for the better. We will explore all possible means and push all the founders to help out in the sale of these remaining securities.

There is no significant element of income loss from operations yet since the hospital is still in the construction phase.

The company has no investments on foreign securities.

KEY PERFORMANCE INDICATORS

	March 2023	December 2022	December 2021
<p>Liquidity</p> <p>a. Quick Ratio - the capacity of the company to cover its short term obligations using only its most liquid assets [(cash + cash equivalent + AR) / current liabilities]</p> <p>The ratios for the quick asset for the 3 periods presented does not necessarily reflect a good number. This, however, is due to the fact that the company is still building its hospital and its resources are being used for this construction.</p>	0.40 : 1	0.26 : 1	0.45 : 1
<p>b. Current Ratio - the company's capacity to meet current obligations out of its liquid assets (current assets / current liabilities)</p> <p>As for now, cash and other current assets are being utilized for the construction of the hospital. That is the reason why the current ratio of the company reflected a not so attractive information. It is expected to be better when the hospital starts its operations.</p>	0.41 : 1	0.26 : 1	0.45 : 1

<p>Solvency</p> <p>a. Debt to Equity Ratio - The indicator of which group of accounts has greater representation in the total resources of the company. (long-term debt / equity)</p> <p>The company's long term debts is fully covered by the company's equities. Based on figures, yes, and it's getting better, given the improvement in the sale of securities via IPO. But for now, these figures were applied to the construction and the equities are also all used up. But this is soon going to change. The hospital is almost done and would soon be ready to operate. By then, the figures will be better.</p>	0.98 : 1	1.04 : 1	1.01 : 1
<p>Profitability</p> <p>a. Net Profit Margin – This is the ability of the company to generate surplus for the stockholders.(net income / sales)</p> <p>The company is not yet operational, therefore, net Profitmargin cannot be ascertained.</p> <p>b. Return on Equity – This is the ability of the company to generate returns on investments of the stockholders. (net income / stockholder's equity)</p> <p>The company is not yet operational, thus, it is improbable to determine the return to equity as at present time.</p>	0	0	0
<p>Leverage</p> <p>a. Debt to Total Asset Ratio - The proportion of the total assets financed by creditors. (total debt / total assets)</p> <p>Total company obligations is a little more than 50% of the company's resources. This shows that the company is gaining more asset now given that the construction is almost on the finishing stage. This may sound good but, not totally, because all this debts that were used in the construction of the hospital are still outstanding and which is still to operate, hopefully, this year.</p> <p>b. Asset to Equity Ratio – Indicator of the overall financial stability of the company. (total assets / equity)</p> <p>In percentage, equity is almost half of the company assets (for all 3 periods). This is quite good given that the proceeds of company's sale of securities augmented the funding of the hospital construction.</p>	0.58 : 1	0.61 : 1	0.57 : 1

<p>Interest Rate Coverage a. Interest Rate Coverage Ratio – Measures the company’s ability to meet its interest payments. (earnings before interest and taxes / interest exp)</p> <p>The company is at its construction stage, given so, payment of interests are dependent on funds generated thru sale of securities and not from income generated.</p>	0	0	0
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EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004)

The 2022 Audited Financial Statements of the Company with the External Auditors’ PTR, Name of the Certifying partner and Address, and the Statement of Manager’s Responsibilities are attached hereto as

THE AGGREGATE FEES BILLED ARE SHOWN BELOW:

Fees approved in connection with the Audit of the Annual Statements and assurance rendered by Dimaculangan, Dimaculangan and Company CPAs pursuant to the regulatory and statutory requirements for the years ended, December 31, 2023 amounts to 271,040.00 inclusive of 12% VAT. December 31, 2022 amounts to 246,400, December 31, 2021 amounts to ₱ 268,000 inclusive of 12% VAT, and December 31, 2020 amounts to ₱399,632.00 inclusive of 12% VAT. All other fees for 2020, 2021, and 2022 include out-of-pocket expenses (OPE) such as Printing, Paper and Ink, Postage, Overtime meals, Transportation Communication i.e internet, and calls. Also included therein are audit fees for 2018 paid in 2019, 2019 audit fees paid in 2020, and in 2021 are audit fees for 2020 paid during the year. Audit Fees for the year 2022 amounting to ₱ 246,400.00 inclusive of 12% VAT amounting to ₱ 26,400.00. No tax service was rendered by the Auditor during 2019-2022.

Year	2023	2022	2021	2020
Audit Service	242,000.00	220,000.00	200,000.00	200,000.00
Value AddedTax	29,040.00	26,400.00	24,000.00	24,000.00
All Other Fees			44,000.00	175,632.00

APMCI’s Pre-Approval Authority granted to the Audit Committee in the engagement of Professional Services is hereto attached as Annex E1

C. CERTAIN RELATIONS AND RELATED TRANSACTIONS

The company is building a hospital, which is now under construction. Among the visions of the directors and founders of the hospital is to provide Ilonggos the best hospital facility in the region which is at par with those that are in highly urbanized regions as Manila and Cebu. To realize this vision, the directors and founders decided that they should provide state of the art equipment and those that are considered top notch in the medical industry. Anent to this, the company engaged the services of Endure Medical, Inc. an esteemed and trusted importer, to help the company in the importation of its equipment. Endure Medical, Inc. is owned and managed by the family of Dr. Ferjenel Biron, Chairman of APMCI Board.

In 2017, the directors and shareholders of the company were mandated and empowered to contribute resources and make cash advances in favor of the company to augment the development/construction of its medical structures an appurtenances. These advances have been gradually liquidated over the years. As of October 2020, these have all been fully paid.

In June 2021, the company initially borrowed money from Phil Pharmawealth Inc., a pharmaceutical company owned by the family of Dr. Ferjenel Biron, Chairman of the Board of APMC Iloilo. The loan was intended to pay off necessary obligations of the company. Subsequently, additional loans were made after. These are interest bearing loans (4.50% to 6.50%) that are agreed to be paid subject to availability of funds.

Also, the company employed the services of TIPP Plus Digital Solutions for the custom-made Hospital Management Information System that the hospital will be using. TIPP Plus' President is Atty. Maylene Villanueva who is the Corporate Secretary and Compliance Officer of APMC Iloilo, Inc. The engagement of TIPP Plus Digital Solutions was done prior to the latter's appointment.

D. MANAGEMENT AND CERTAIN SECURITY HOLDERS

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. Currently, the Board consists of fifteen (15) members, of which three (3) are independent directors.

The table below set forth the members of the Company's Board as of 15 May 2023.

Name	Position	Age	Citizenship	Occupation	Business/Clinic
1. Biron, Ferjenel G.	Director/ Chairman	58	Filipino	Businessman/ Congressman/ General Medicine	Aesthetica Manila, Inc., Smartlab Diagnostics and Dialysis Center, Inc. Botikang Pinoy, Inc., Super BP Mart Corporation, Obbo Holdings, Inc., Newlife Regenerative & Wellness Center Inc., Asia-Pacific Medical Center Aklan, Inc., Asia-Pacific Medical Center- Bacolod Inc., EMI Properties, OPC, Fourth (4 th) District of Representative of Iloilo
2. Jerusha A. Comuelo	Independent Director	55	Filipino	Pediatrics/ Neurologist	West Visayas State University Medical Center; Comuelo's Clinic; St. Paul's Hospital; Healthlink
3. Debuque, Ma. Teresa F.	Lead Independent Director	60	Filipino	Vice Mayor	Municipal Government of Anilao, Iloilo
4. Dianco Felibert O.	Director	49	Filipino	Internal Medicine/ Cardiologist	Healthlink:
5. Fernandez, Lemuel T.	Director/ Asst. Corporate Treasurer	56	Filipino	Businessman	Daily Guardian, Mandurriao, Iloilo

6. Gomez, Lusyl M.	Director	63	Filipino	Pediatrics	IpedCare; Qualimed Hospital Iloilo
7. Gonzales, Noel J.	Independent Director	61	Filipino	Businessman	Muebles Italiano: St. Joseph the Workers Builders & Realty Inc.; Disegno Milano, Inc; Gala Curated Setting Corp.
8. Lavallo, Amado M.	Director/President	60	Filipino	Surgeon/Oncologist	St. Paul's Hospital
9. Lavilla, Meride D.	Director/Vice Chairman	60	Filipino	Pediatrician	Eros Building General Luna St. Iloilo City; St. Paul's Hospital Iloilo City; Iloilo Mission Hospital Iloilo City; West Visayas State University Medical Center Iloilo City; Medicus Medical Center Iloilo City; Qualimed Medical Center Iloilo City.
10. Nolasco, Felix P.	Director	70	Filipino	ENT-HNS Specialists	Asian Hospital Medical Center
11. Ramirez, Ruben B.	Director	55	Filipino	Medical Imaging/Radiologist	West Visayas State University Medical Center; Family Clinic; Iloilo Doctors Hospital; Panay Health Cooperative;
12. Regozo, Danilo C.	Director/Executive Vice President	60	Filipino	Family Medicine	Farmacia Neo, Tanza Iloilo City (clinic); Iloilo Doctors' Hospital; Iloilo Mission Hospital; St. Therese MTC Colleges Hospital; The Medical City Iloilo; Medicus Medical Center Iloilo.
13. Samoro, Fredilyn G.	Director	58	Filipino	Obstetrics and Gynecology	Clinic Room 103 Healthlink, Mabini Street
14. Suplico, Rolex T.	Director	64	Filipino	Lawyer/Businessman	Suplico and Austria Law Office
15. Villaflores, Agnes Jean M.	Director/Corporate Treasurer	58	Filipino	Internist/Nephrologist	M3 Dialysis Center Iloilo Mabini St Iloilo City West Visayas State University Medical Center Iloilo Mission Hospital St Paul's Hospital Iloilo Iloilo Doctors Hospital The Medical City Iloilo Medicus Medical Center

All the above were elected as Board of Directors and Officers of the Corporation for the year 2022 until their successors are elected during the Annual Stockholders Meeting of ASIA PACIFIC MEDICAL CENTER-ILOILO, INC. (FORMERLY KNOWN AS ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ILOILO, INC.) held on 29 September 2022. During the Organizational Meeting

on the same day, the newly elected Directors approved the retention of the 2021 Set of Officers except for the position of Assistant Corporate Secretary as officers of the corporation for 2022. Atty. Analie Generoso was elected as Assistant Corporate Secretary. The Compliance Officer, Atty. Maylene B. Villanueva was re-elected as Corporate Secretary in the same meeting until the newly appointed Assistant Corporate Secretary is ready to assume the role.

Other than the aforementioned Directors and Officers, the following persons occupy key management positions.

The Table below sets forth the company's executive officers in addition to its executive directors listed above as of 07 June 2023.

Name	Position	Age	Citizenship	Occupation	Business
1. Abonado Gerard Joel C.	Hospital Administrator	59	Filipino	Physician	Janiway Geriatrics Clinic
2. Fernandez, Toni Dinah Cheer D.	Investor Relations Officer/Data Privacy Officer	54	Filipino	Businesswoman	Daily Guardian, Mandurriao Iloilo
3. Samoro Elmer	Chief Finance Officer	52	Filipino	Accountant	Healthlink
4. Villanueva, Maylene B.	Corporate Secretary/Compliance Officer	42	Filipino	Corporate Lawyer	Villanueva Balio and Ariston Law Offices
5. Generoso, Analie	Assistant Corporate Secretary	46	Filipino	Lawyer	No office

The independent directors of the Company as of 15 May 2023 are Jerusha A. Comuelo, Ma. Teresa Debuque and Noel Gonzales.

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

The Chief Finance Officer, Elmer Samoro is the brother-in-law of Director Fredilyn G. Samoro. On the other hand the Investor Relations Officer and Data Protection Officer Toni Dinah Cheer D. Fernandez is the wife of Assistant Treasurer Fernandez. Director Lusyl Gomez is the cousin-in-law of

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

1. Rolex Suplico, a Director and Nominee 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 as of 31 July 2022. The prosecution rested on February 2023. On 3 May 2023, a defendant is scheduled to present his side. He had presented his first witness last May 3, 2023 and his second witness is scheduled to be presented on 18 July 2023.
2. Felix Nolasco, another Director and Nominee is a party in the following legal proceedings in his capacity as founder and incumbent Director of Allied Care Experts (ACE) Medical Center - Cebu Inc..
 - A. Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-emption, and for Attorney's Fees) Dax Matthew M. Quijano et.al. v. ACE Medical Center Cebu Inc., Felix P. Nolasco, et.al.

On 7 March 2018, several complainants (Dax Matthew M. Quijano, et.al.) through counsel filed a civil complaint against the Hospital and its Directors including Felix Nolasco praying the Court to direct the defendants ACE Medical Center Cebu and its President and

Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase of capital approved by the Board on November 12, 2016. The Defendants (based in Cebu) have already filed their Answer to the Complaint but the Manila based Doctors which include Dr. Nolasco had not been served the summons. On 5 August 2020, a Motion to Dismiss the Complaint was filed for lack of interest of plaintiffs to prosecute the case. The case was scheduled for mediation on 14 July 2021. Since an agreement was not reached, another mediation was scheduled on 29 July 2021. No agreement was reached so it was sent back to court for judicial dispute resolution which was held on 9 February 2022. The JDR failed. The pre-trial conference scheduled last 13 April 2023 was cancelled and moved on 02 June 2023.

- B. Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-Emption, and/or Attorney's Fees) Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center- Cebu, Inc., Felix P. Nolasco et.al.

On 5 February 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court direct defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on 12 November 2016. The Cebu-based defendants had already filed their Answer to the Complaint and Dr. Kionisala had filed a Motion for Partial Summary Judgement, but the same was opposed by defendants on 2 May 2018. No ruling was made on such motion hence the case had not moved. The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for mediation on 16 June 2021. Since an agreement was not reached, the pre-trial on 13 August 2021 proceeded as scheduled. On 5 November 2021, a hearing was held but no resolution was made. Another hearing was scheduled on 4 March 2022 but plaintiffs were unavailable. On 22 April 2022, another hearing was scheduled but plaintiff requested that his previous manifestation be addressed first. The hearing scheduled on 24 June 2022 was postponed.

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

As of 07 June 2023 to the knowledge and information of the Company, except for the abovementioned Directors, none of the Company's other Directors or Executive Officers have been involved in any legal proceedings during the last five (5) years that are material to an evaluation of their ability or integrity to act as such.

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

F. 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 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 RIs).

In 2021, the Company has established a Self-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 RIs 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.

The following trainings have been attended by its Director and Officers from September 2022 to May 2023:

DIRECTOR	2022-2023
Lemuel T. Fernandez	Best Practices in Financial and Operational Budgeting conducted by Center for Global Best Practices on September 6-7 2022
Felibert O. Dianco	Best Practices in Digital Record Governance & Management conducted by Center for Global Best Practices on March 29-31, 2023
Ma. Teresa F. Debuque	Best Practices in Corporate Housekeeping conducted by Center for Global Best Practices on 1 February 2023.
Noel J. Gonzales	Corp. Governance Orientation Program conducted by Institute for Corporate Directors on 26-27 October 2022
Ruben B. Ramirez	Corporate Governance Orientation Program (onsite) conducted by Institute of Corporate Directors on March 8, 2023
Rolex T. Suplico	Roles, Responsibilities & Liabilities of Board of Directors conducted by the Center for Global Best Practices on 5 September 2022
	ESG Strategy: A Boardroom Topic For Directors conducted by Institute of Corporate Directors on 9 December 2022
Agnes Jean M. Villaflor	Best Practices in Financial and Operational Budgeting conducted by Center for Global Best Practices on September 6-7 2022
OFFICERS	2022-2023
Elmer Z. Samoro	Best Practices in Financial and Operational Budgeting conducted by Center for Global Best Practices on September 6-7 2022
Analie L. Generoso	Best Practices in Corporate Housekeeping conducted by Center for Global Best Practices on 1, 2 & 3 February 2023
Maylene B. Villanueva	GRI Sustainability Strategy and Reporting conducted by Institute of Corporate Directors on August 10, 11 & 12, 2022
	GRI Sustainability Strategy and Reporting: Human Rights course conducted by Institute of Corporate Directors on October 4, 2022

The 2022 SEC Form 17 -A shall be available at the above stated company website. Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of the said 2022 SEC Form 17-A free of charge, except for exhibits attached which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows :

Asia Pacific Medical Center-Iloilo Inc.
(Formerly:Allied Care Experts Medical Center-Iloilo, Inc).
Brgy. Ungka , Jaro Iloilo City 5000

Attention : The Corporate Secretary