

MANAGEMENT REPORT AS OF 30 April, 2024

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 MSRDO Order No. 37 Series of 2018.

On 14 April 2023, the Board of Investments approved the registration of the Company as a New Operator of General Hospital Level 2 under Tier I of the 2022 Strategic Investment Priority Plan (SIPP) of R.A. 115334 (CREATE Act) . The registration entitles the Company an Income Tax Holiday for six (6) years, enhanced deduction for five years and duty exemption for eleven (11) years.

As of 31 March 2024, the total percentage of completion of the construction of the multi-disciplinary hospital being constructed by Company is 100%.

APMCI has not filed for bankruptcy, receivership nor had been a subject of similar proceedings. Neither has there been a material reclassification, merger, consolidation, or purchase or sale of a significant amount of its assets not in the ordinary course of business.

On 3 November 2023, the Company was issued its License to Operate as a Tertiary Level 2 Hospital by the Department of Health. It commenced operations on 13 November 2023 with the opening of its Outpatient Departments and started admitting patients on 8 December 2023.

The principal products and/or services offered by the Hospital are divided into Routine Services and Ancillary Services. The Routine Services include room and board, general nursing units, perioperative services, critical care and emergency services. Ancillary Services include dietetics, pharmacy, pathology and clinical laboratories, radiology, pulmonary and respiratory therapy, rehab medicine, heart station, neuroscience, and audiology and dermatology.

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Iloilo Inc.) is 9 – storey 100 – bed capacity hospital with helipad and perimeter and basement parking that can accommodate 6 Minibuses, 5 ambulances ,80 cars and 11 motorcycles with total floor area of 28,550.50 sq. meters constructed in a 6,000 sq.m. property located at Brgy. Ungka, Jaro, Iloilo City.

It intends to apply for additional authorized bed capacity as soon as hospital admissions exceed the current authorized bed capacity. It provides services to residents of Jaro, Iloilo City, nearby Barangays and Municipalities, the whole of Iloilo and the neighboring provinces which are considered its catchment areas

APMCI is a multidisciplinary specialty medical facility that houses medical specialists who are subscribers to the capital stock of the Corporation. The markets for its shares are mostly medical specialists and individuals who are related to medical specialists and corporate investors who invested their money in the hospital.

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

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

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

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

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

1. An organized staff of qualified and competent personnel with Chief of Hospital/Medical Director and appropriate board-certified Clinical Department Heads
2. Departmentalized and equipped with the service capabilities needed to support board-certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery; their subspecialties and ancillary services;
3. Provision for general ICU for critically ill patients.
4. Provision for NICU (Neonatal Intensive Care Unit)
5. Provision for HRP (High Risk Pregnancy Unit)
6. Provision for respiratory therapy services;
7. A DOH licensed tertiary clinical laboratory;
8. A DOH licensed level 2 imaging facility with mobile x-ray inside the institution and with capability for contrast examinations.

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

NAME OF HOSPITAL	ADDRESS	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
AMOSUP (Associated Marine Officers' and Seamen's Hospital Iloilo)	Odate St., Mandurriao, Iloilo City	40	Private	2
Iloilo Doctors 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, Brg Tagbak, Jaro, Iloilo City	110	Private	2
Qualimed Hospital	Donato Pison 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 APMCI primarily influences the decision of the medical specialists to subscribe to the shares of stock in APMCI. Once the Doctor decides where to practice, price and quality of facility management come as the next factors. The good location, proximity to patients, reasonableness of the offer price, and quality of the facilities enable APMCI to effectively compete with its competitors within the area.

APMCI is primarily owned and managed by doctor specialists who have established a medical practice in the locality. This unique setup is a strong strategic factor of the hospital since each doctor-owner has

established patient following in their respective fields. APMCI places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Women's Health Center, Male and Female Fertility Center, Health and Aesthetic Centre, Regenerative Medicine, and among other services, the hospital is preparing to build a Cardiac Cath laboratory and Rehabilitation Center, an Eye Center, and Oncology Center.

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

The hospital offers 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 makes sure that by following the policies of the Credentials and Privileging Committee, the medical staff of APMC Iloilo are clinically competent and certified specialists.

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

APMCI offers the latest technology and laboratory and imaging facilities such as MRI, CT Scan, Mammogram and Echocardiography. It aims to be a one-stop shop for laboratory and imaging services when it offers Bone Densitometry and Liverelastometry in the future. It offers specialized services in its Regenerative Medicine Center, Hemodialysis Center, Blood Bank with additional functions, High Risk Pregnancy Unit and Endoscopy Center. Other Specialized services such as the following will also be provided in the next few years:

- Cardiac Catheter Laboratory
- Renal and Urology Center
- Endoscopy Center
- Oncology Center and Transfusion Unit
- Eye Center
- Neuro Laboratory
- Metabolic Wellness and Aesthetic Center
- Infertility Unit
- Human Milk Bank and Lactation Center
- Research Center

Suppliers and Major Contractors

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

1. Cab Construction Services – Drywall Partition and Ceiling
2. Pesco Air Conditioning and Engineering Services - Electrical
3. Crossworld Construction Supply – Louvers Fins, ACP Panels and Accessories
4. CAA Masonry Works – Floor Topping and Tiles, Epoxy Paint, Steel Railings

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

Major Suppliers of the Medical Equipment, Medical Supplies And Medicines 2023

1. Jamesluse Medical Device Enterprises
2. TRIOMED Multi Sales Inc
3. CRR Medical & Diagnostic Distributors
4. Excel Global Inc.
5. Berovan Marketing Inc.
6. Endure Medical Inc.

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.

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 of March 31, 2023, and December 31, 2022 and 2021:

	Outstanding Balance	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance		
Category	2021	2022	2022	2023	2023	Terms	Conditions
Receivable – others (various ACE hospitals)	47,472	-	47,472	-	47,472	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
<u>Advances to related parties:</u>							
Endure Medical, Inc. (a)	32,079,869	-	32,079,869	-	32,079,869	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
TIPP Digital Solutions Inc. (b)	3,515,904	-	3,515,904	3,386,880	6,902,784	Non-interest bearing, to be collected in cash	Unsecured, unguaranteed, not impaired
	35,595,773	-	35,595,773	3,386,880	38,982,653		
<u>Advances from related parties:</u>							
Accounts Payable - Endure Medical, Inc.	10,539,478	23,050,390	33,589,868	11,643,658	45,233,526	Non-interest bearing, to be paid in cash	Unsecured, unguaranteed, not impaired
Loans payable to a related party (c)	108,834,969	129,000,000	237,834,969	155,600,000	393,434,969	Non-interest bearing, to be paid in cash	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.

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 for payment of interest with the Land Bank of the Philippines (LBP). The loan bears an interest ranging from 6.50%-8.50% per annum and is payable subject to availability of funds. Interest incurred for the years ended December 31, 2023 and 2022 and is reflected in the statements of comprehensive loss amounted to ₱20,959,616 and ₱10,488,435, respectively. 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, 2024, 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 submitted its compliance on 22 September 2022 copy of which was received by APMC Iloilo on 19 October 2022.

As of 31 March 2024, 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 hence sale is sporadic. The percentage of public ownership of the Company as of 31 December 2023 is 14.98%.

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.

There is no amount that is subject to Outstanding Options

Amount of Equity that has been proposed to the publicly offered by the Registrant is 1B

HOLDERS

There are approximately Thirty Five (35) holders of Founder Shares and approximately Two thousand Nine Hundred Fifty -Three (2953) holders of common shares of the company as of 30 April 2024

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 April 2024

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	19.40%
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	8.81%
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	8.81%

The Top 20 Stockholders as of 30 April 2024 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	19.40%
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	8.81%
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	8.81%

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	HEIRS OF SAMORO, RONNIE Fredilyn Samoro, Kim Karolyn Samoro, Karmela Marie Samoro, Katrina Belle Marie Samoro)/ /Block 31 Lot 5, Ana Ros Village, Guzman St., Mandurriao, Iloilo City	HEIRS OF SAMORO RONNIE (Fredilyn Samoro, Kim Karolyn Samoro, Karmela Marie Samoro, Katrina Belle Marie Samoro)		3,452 10	
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		3,688 10	
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		2,430 10	2.93%
Common	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	Filipino	300	
Common	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	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	
<u>Common Founder</u>	<u>RAMIREZ, RUBEN B./ Unit 522 The Uptown Place, General Luna St., Iloilo City</u>	<u>RAMIREZ, RUBEN B./ Record Owner is also Beneficial Owner</u>	Filipino	5,930 20	2.48%
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	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	COMUELO, JERUSHA A./ Metropolis Brgy. Bito-on, Jaro, Iloilo City	COMUELO, JERUSHA 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	3,432 10	1.43%
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./ Bk1 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	3,050 10	1.28%

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

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

There are no cash dividends or description of any restrictions that limit the payment of dividends. However, there were no dividends issued for the past two years because the company has no unrestricted retained earnings having commenced operations only last November 2023.

C. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) or PLAN OF OPERATION AS OF 31 March 2024

PLAN OF OPERATION

The operation of the Hospital officially commenced last 13 November 2023.

The financial requirements of the corporation during the next twelve (12) months stem from few minor interior and exterior finishes and touch ups, procurement of additional hospital equipment and training and/or continuing education for the Board of Directors, Management, medical and paramedical staff and other

Revenue from operations is insufficient to meet the day-to-day expenses. Considering that the hospital has just started operations. The current financial position depends on the income to be generated by the Hospital from its operations and the additional loan facility that it can secure though it could be challenging due to the restructuring . Due to the rising costs associated with running the operation, the Company must maximize all means to market its services to the public. The Company will intensify the marketing.

As of 31 December 2023, the company has five hundred twelve (549) employees and the Company's plan to hire additional employees would depend on whether the hospital census will grow .

The following are the present services offered by the Hospital:

1. Ambulatory Care Unit (Doctor&39Clinics)
2. Emergency Room Services: Adult, Pediatrics, Surgery, Infectious
3. Urgent Care Unit
4. Pathology, Blood Bank and Drug Testing Services
5. Radiology Services: X-Ray, CT Scan, MRI, Ultrasound, Mammogram, Dental
6. Critical Care Units: Medical ICU, Infectious ICU, Stroke Unit, Pedia, Surgical ICU
7. Perinatal Complex: OB ER, Labor Room, HRP, OR, DR, Birthing Suite
8. Neonatal ICU (NICU)
9. Operating Room Complex: Minor Surgery, Major Surgery, Orthopedic, ENT
10. Cardiovascular Unit: Stress Echo Test, 2-D Echo, ECG, Treadmill Stress Test
11. Pulmonary Center: Pulmonary Function Test, ABG
12. Dialysis Unit
13. Pharmacy
15. Dental Clinic
16. Step Down ICU
17. Physical Medicine and Rehabilitation Services
- 18, Endoscopy

The following are the present facilities:

- 253 Hospital Beds
- 17 Emergency Beds
- 6 Operating Rooms
- 1 Delivery Room
- 1 OB Operating Room
- 1 Birthing Suite
- 6 Beds PACU
- 18 Cribs NICU
- 13 Beds MICU
- 1 Bed Endoscopy
- 6 Beds PICU
- 4 Beds SICU
- 4 Beds Stroke Unit
- 2 Beds Infectious OR/DR

The Medical Shareholders who contracted for Privilege to Practice (PTP) will be called in the first quarter for orientation of the policies and procedures on Clinic Occupancy. The individual clinic schedules will also be noted for orderly patient appointments. The construction of the clinic rooms will consequently be scheduled with completion in time for opening of the hospital operations. The Human Resource Department and the Credentialing and Privileging Committee will be in charge of the rest of the Medical Shareholders. They will work on the review of the credentials and approve medical practice privileges inherent to the specialties of the doctors.

RESULT OF OPERATIONS

	March 31, 2024	Dec 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Revenue	P51,332,214	P5,995,365	P -	P -
Direct Cost	(52,001,338)	(6,127,455)	-	-
Gross Profit/(loss)	(669,124)	(132,090)	-	-
Other Income	504,708	71,075	119,929	22,133
Gross Income/(loss)	(164,416)	(61,015)	119,929	22,133
General and Admin Expenses	(42,531,409)	110,301,610	22,053,192	19,051,323
Loss From Operations	(42,695,825)	(110,362,625)	(21,933,263)	(19,029,190)
Finance Cost	(29,813,568)	36,970,036	30,288,654	15,977,437
Net Loss Before Income Tax	(72,509,393)	(147,332,661)	(52,221,917)	(35,006,627)
Income Tax Expense	-	(171)	-	-
Net Loss	(72,509,393)	(P147,332,832)	(52,221,917)	(35,006,627)
Other Comprehensive Income/(Loss)	-	-	-	-
Total Comprehensive Loss	(P72,509,393)	(P147,332,832)	(P52,221,917)	(P35,006,62)

As at December 31, 2023, the hospital is 99.86% complete. In November and December, 2023, the hospital started to offer Outpatient and Inpatient services, respectively. On its start of operation, the hospital services include but are not limited to pathology, imaging, pulmonary, cardio/neuro and physical medicine and rehabilitation.

STATEMENT OF FINANCIAL CONDITION

ASSETS	31-Mar-24	31-Dec-23	31-Dec-22	31-Dec-21
CURRENT ASSETS				
Cash	P9,452,717	P4,998,949	P11,514,559	P14,514,332
Other Receivables	18,261,138	7,958,575	2,438,056	3,237,553
Inventory	4,416,593	2,709,764	-	-
Advances to Contractors	50,619,608	50,397,948	58,043,017	55,086,837
Advances to Suppliers	10,135,602	7,766,188	1,551,654	6,671,744
Prepayments	11,594,857	1,822,143	559,910	326,013
	104,480,515	P75,653,567	P74,107,196	P79,836,479
NON-CURRENT ASSETS				
Property and Equipment (net)	502,194,341	527,822,795	447,444,919	417,804,618
Construction-In-Progress	1,806,362,562	1,805,205,972	1,536,817,631	1,357,724,224
Advances to Related Party	39,030,125	39,030,125	35,595,773	35,595,773
Intangible Asset (net)	-	-	-	8,333
Other Non-Current Assets	5,015,000	5,015,000	5,015,171	5,015,171
	2,352,602,028	2,377,073,892	2,024,873,494	1,816,148,119
TOTAL ASSETS	P2,457,082,543	P2,452,727,459	P2,098,980,690	P1,895,984,598
LIABILITY AND EQUITY				
CURRENT LIABILITIES				
Accounts Payable and Other Liabilities	P261,187,841	P204,702,364	P132,799,504	P87,252,859
Loans Payable to Individuals	14,892,700	20,342,700	20,766,700	23,000,000
Notes Payable - Current Portion	15,000,000	15,000,000	28,747,867	35,055,603
Income Tax Payable	-	-	-	-
	291,080,541	240,045,064	182,314,071	145,308,462
NON-CURRENT LIABILITIES				
Loans Payable to Related Party	417,634,969	P393,434,969	P237,834,969	P108,834,969
Notes Payable - net of Current Portion	970,594,306	970,594,306	857,748,031	826,262,841
	1,388,229,275	1,364,029,275	1,095,583,000	935,097,810
TOTAL LIABILITIES	1,679,309,816	1,604,074,339	1,277,897,071	1,080,406,272
EQUITY				
Share Capital (net)	239,960,000	239,960,000	235,670,000	235,060,000
Share Premium	955,525,162	953,896,162	783,283,829	726,166,619
Deficit	(417,712,435)	(345,203,042)	(197,870,210)	(145,648,293)

TOTAL EQUITY	777,772,727	848,653,120	821,083,619	815,578,326
TOTAL LIABILITIES AND EQUITY	P2,457,082,543	P2,452,727,459	P2,098,980,690	P1,895,984,598

MANAGEMENT'S DISCUSSION and ANALYSIS

Changes in Results of Operations for Comparable Periods March 31, 2024 and 2023

	Horizontal Analysis			Vertical Analysis		
	31-Mar-24	31-Mar-23	Inc./(Dec.)	%	31-Mar-24	31-Mar-23
			P51,332,214			
Revenue	P51,332,214	P -	4	100.00%	100.00%	N/A
Cost of hospital services	(52,001,338)	-	52,001,338	100.00%	(101.30%)	N/A
Gross profit/(loss)	(669,124)	-	669,124	100.00%	(1.30%)	N/A
Other income	504,708	7,850	496,858	6329.40%	0.98%	N/A
Gross income/(loss)	(164,416)	7,850	(172,266)	(2194.47%)	(0.32%)	N/A
General and admin expenses	(42,531,409)	(7,784,532)	34,746,877	446.36%	(82.86%)	N/A
Loss from operations	(42,695,825)	(7,776,682)	34,919,143	449.02%	(83.18%)	N/A
Finance cost	(29,813,568)	(10,043,780)	19,769,788	196.84%	(58.08%)	N/A
Net Loss Before Income Tax	(72,509,393)	(17,820,462)	54,688,931	306.89%	(141.26%)	N/A
Income Tax Expense	-	-	-	0.00%	0.00%	N/A
Net Income/(loss) for the period	(P72,509,393)	(P17,820,462)	P54,688,931	306.89%	(141.26%)	N/A

Revenue, Direct Cost and Gross Loss

As at end of the 1st quarter period March 31, 2024, Revenue amounted to P51.33M, which 42.44% (P21.72M) derived from Inpatient Admission; 24.86% (P12.72M) from Pharmacy; 11% (P5.62M) Pathology, 6.58% (P3.36M) Central Supplies; 5.70% (P2.92M) from Pulmonary, Rehab, Cardiology and Hemodialysis; 4.93% (P2.522M) Imaging, 3.78% (P1.93M) Emergency Department; and 0.72% (P369K) Endoscopy. Cost of Hospital services (direct cost) exceeds the total revenue and that the hospital incurred a gross loss of P669K. These direct costs comprise the cost directly attributable to the hospital services.

Other Income

Other income is mostly derived from interest income earned from bank; and other miscellaneous income amounted to P94.40; and P504K, as at March 31, 2024, respectively.

General and Administrative Expenses

For 1st quarter ended March 31, 2024, General and Admin Expenses amounted to P45.32M which higher by 446.36% (P34.75M). This can be mainly attributed increase of Salaries and Allowances amounted to P30M; Utilities Expenses amounted to P9.45M; Depreciation amounted to P1.78M; and Outside Services amounted to P3.33M.

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. As at March 31, 2024, finance cost amounted to P29.81M derived from interest expenses on bank and related party loans.

Loss for the Period

For the 1st quarter ended March 31, 2023, the revenue generated was insufficient to offset the total operating expenses incurred during the period. The hospital faces challenges at the inception of its actual operation during the first quarter of the year 2024, one of its vital challenges is to increase the number of patient admission to sustain its daily operation, another is the reliance to its affiliate doctors for their referrals for the use of our services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and thru the years as we continue providing hospital services to the people.

MANAGEMENT REPORT

Changes in Results of Operations for Comparable Periods December 31, 2023 and 2022

	For the years ended December 31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Inc./ (Dec.)	%	2023	2022
Revenue	P5,995,365	P -	P5,995,365	100.00%	100.00%	N/A
Direct Cost	(6,127,455)	-	6,127,455	100.00%	102.20%	N/A
Gross Loss	(132,090)	-	132,090	100.00%	2.20%	N/A
Other Income	71,075	119,929	(48,854)	(40.74%)	1.19%	N/A
Gross Income/(Loss)	(61,015)	119,929	(180,944)	(150.88%)	1.02%	N/A
General and Admin Expenses	(110,301,610)	(22,053,192)	88,248,415	400.00%	1839.78%	N/A
Loss From Operations	(110,362,625)	(21,933,263)	88,429,359	403.17%	1840.80%	N/A
Finance Cost	(36,970,036)	(30,288,654)	6,681,382	22.06%	616.64%	N/A
Net Loss Before Income Tax	(147,332,661)	(52,221,917)	95,110,741	182.13%	2457.44%	N/A
Income Tax Expense	(171)	-	171	100.00%	0.00%	N/A
Net Loss for the Year	(P147,332,832)	(P52,221,917)	P95,110,912	182.13%	2457.45%	N/A

Revenue, Direct Cost and Gross Loss

On November 2023, Hospital begun its operation by accepting outpatient which it earned a revenue amounted to P328,423 which mostly came from various hospital services such as but not limited to pathology, imaging, pulmonary, cardio/neuro and physical medicine and rehabilitation. On December 2023, the Hospital start to accept inpatient. On this month it earned a revenue total of P5.66 million for both inpatient and outpatient from various hospital services. Direct Costs - are costs that are directly attributable to patient care which includes nursing services, drugs, medical supplies, diagnostic imaging, rehabilitation and food services. Opening for the last two month of the year fall short as the direct cost exceeds the total revenue and that the hospital incurred a gross loss of P132,090 given that it was only given a license to operate initially for 100 out of 240 bed capacity.

Other Income

Other income is mostly generated from the interest income earned from bank; unrealized foreign exchange gain; and other miscellaneous income amounted to P19,158; P18,964; and P32,953, as at December 31, 2023, respectively.

General and Administrative Expenses

General and Administrative Expenses increased by P88 million or 400% in 2023. The material movement on this account were noted on Salaries and Allowances amounted to P75.50 million or 399%; Utilities Expenses amounted to P8.32 million or 100%; Taxes and Licenses amounted to P7.40 million or 296%; Depreciation amounted to P5.40 million or 507%; Office supplies amounted to P3.50 million or 1830%; Security Services amounted to P3.07 or 184%; and Training, Workshop, Seminar amounted to P1.40 million or 519%. The significant increases can be attributed to the increase in manpower and various licenses that the Company is processing in relation to the preparation of the commercial operations this year. Also, the hospital offices were already occupied by its personnels which contributed to the increase in utilities expenses this year. To date, the hospital is 99.86% complete.

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

Given that the hospital had just commenced operations in December 2023, the revenue generated was insufficient to offset the total operating expenses accrued throughout the year.

Results of Operations for Comparable Periods December 31, 2022 and 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.

Changes in Financial Condition for comparative periods as at March 31, 2024 and December 31, 2023

ASSETS	Horizontal Analysis				Vertical Analysis	
	31-Mar-24	31-Dec-23	Inc./ (Dec.)	%	31-Mar-24	31-Dec-23
CURRENT ASSETS						
Cash and Cash Equivalent	P9,452,717	P4,998,949	P4,453,768	89.09%	0.38%	0.20%
Trade and Other Receivables	18,261,138	7,958,575	10,302,563	129.45%	0.74%	0.32%
Inventory	4,416,593	2,709,764	1,706,829	62.99%	0.18%	0.11%
Advances to Contractors	50,619,608	50,397,948	221,660	0.44%	2.06%	2.05%
Advances to Suppliers	10,135,602	7,766,188	2,369,414	30.51%	0.41%	0.32%
Prepayments and other current assets	11,594,857	1,822,143	9,772,714	536.33%	0.47%	0.07%
TOTAL CURRENT ASSETS	104,480,515	75,653,567	28,826,948	38.10%	4.25%	3.08%
NON-CURRENT ASSETS						
Property and Equipment (net)	502,194,341	527,822,795	(25,628,454)	(4.86%)	20.44%	21.52%
Construction-In-Progress	1,806,362,562	1,805,205,972	1,156,590	0.06%	73.52%	73.60%
Advances to Related Party	39,030,125	39,030,125	-	0.00%	1.59%	1.59%
Other Non-Current Assets	5,015,000	5,015,000	-	0.00%	0.20%	0.20%
TOTAL NON-CURRENT ASSETS	2,352,602,028	2,377,073,892	(24,471,864)	(1.03%)	95.75%	96.92%
TOTAL ASSETS	P2,457,082,543	P2,452,727,459	P4,355,084	0.18%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES			P56,485,47			
Accounts Payable and Other Liabilities	P261,187,841	P204,702,364	7	27.59%	10.63%	8.35%
Loans Payable to Individuals	14,892,700	20,342,700	(5,450,000)	(26.79%)	0.61%	0.83%
Notes Payable - Current Portion	15,000,000	15,000,000	-	0.00%	0.61%	0.61%
TOTAL CURRENT LIABILITIES	291,080,541	240,045,064	51,035,477	21.26%	11.85%	9.79%
NON-CURRENT LIABILITIES						
Loans Payable to Related Party	417,634,969	393,434,969	24,200,000	6.15%	17.00%	16.04%
Notes Payable - net of Current Portion	970,594,306	970,594,306	-	0.00%	39.50%	39.57%
TOTAL NON-CURRENT LIABILITIES	1,388,229,275	1,364,029,275	24,200,000	1.77%	56.50%	55.61%
TOTAL LIABILITIES	1,679,309,816	1,604,074,339	75,235,477	4.69%	68.35%	65.40%
EQUITY						
Share Capital (net)	239,960,000	239,960,000	-	0.00%	9.77%	9.78%
Share Premium	955,525,162	953,896,162	1,629,000	0.17%	38.89%	38.89%
Retained Earnings/(Deficit)	(417,712,435)	(345,203,0142)	(72,509,393)	21.00%	(17.00%)	(14.07%)
TOTAL EQUITY	777,772,727	848,653,120	(70,880,393)	(8.35%)	31.65%	34.60%
TOTAL LIABILITIES AND EQUITY	P2,457,082,543	P2,452,727,459	P4,355,084	0.18%	100.00%	100.00%

Changes in Financial Condition for comparative periods as at March 31, 2024 and December 31, 2023

Asset

Cash and Cash Equivalents

The increase in cash and cash equivalent can be attributed to collection from its revenue during the 1st quarter period. Even though the hospital had already operated, it faces challenges at the inception of its actual operation/ One of its vital challenges is to increase the number of patient admission to sustain its daily operation/ Another is the reliance to its affiliate doctors for their referrals for the use of hospital services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and thru the years as we continue providing hospital services to the people.

Inventory	This is representing initial stock of medicines and medical supplies as of end of 1st quarter March 3, 2024 amounted to P4.42M.
Trade and Other Receivables	As at March 31, 2024 Trade and other receivables increased by P10.32M or by 981.99%. This can be attributed to receivables for hospital expenses and doctors' fees availed by patients who are members of the Philippine Health Insurance Corporation (PhilHealth) amounted to P9.41M, other government institution such as DSWD amounted to P2.06M and PCSO amounted to P2.26M.
Advances to contractors and suppliers	Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings. This account decreased by P221K (0.4%) as the building is near to its completion thus incurring lesser cost as compared to previous year. Advances to supplier increased by P2.40M or by 30.5%, these represents down payments made to suppliers of medical equipment and/or construction materials ordered as at end of 1st quarter period.
Prepayments and other Current Assets	This pertains to prepaid insurance amounting to P562K; Input VAT and prepaid input VAT total amounted to P3.63M; and Prepaid Taxes and Licenses amounted to P7.39M. The balance represents the remaining unutilized cost of insurance, taxes and licenses, and excess of input over output VAT as at end of 1st quarter period.
Property and Equipment (net)	As at March 31, 2024, this reduced by depreciation incurred for the period amounted to P2.27M. Depreciation mostly pertains to medical and hospital equipment amounted to P27M were classified as Direct Cost.
Construction in Progress	Pertains to the construction of the hospital building. As of to date, the hospital is 100% complete. As of this period, construction in progress account increased by P1.16M or .06%, which represents cost incurred to compete the completion of the hospital bldg.
Advances to Related Party	Advances to related party has no movement as of end the 1st quarter period.
Other Non-Current Assets	This has no movement during the year. This account represents deposits to MORE POWER Corporation (Php5.00 million), and to Iloilo Medical Society (Php15,000) for office rent.
LIABILITIES	
Accounts payable and Other Liabilities	This account consists of the following: Accounts payable - contractors and suppliers amounted to P133.43M; Retention Payable amounted to P46.32M; Accrued Interest Payable P55.48M; and other payables amounted to P25.92M.
Loans Payable to Related Parties	These are loans extended by Phil Pharmawealth, Inc. (PPI) to the Company. As of March 31, 2024, current balance amounted to P417.63M. These loans were availed to help pay off company obligations.
Loans from Individuals	These are loans accorded to the Company to help in the construction of the hospital building. These are gradually liquidated whenever funds are available. As at March 31, 2024, the balance amounted to P14.89M.
Notes Payable (LBP)	As at March 31 2023, total loans provided by LBP amounted to P1.060 billion. To date, outstanding bank loan amounts to P985.59M.

EQUITIES

Capital Shares	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). In 2023, total capital shares amounted to P239.96M (239,960 shares). No additional shares added as at 1st quarter ended March 31, 2024.
Share Premium	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. As at 1st quarter of March 31, 2024, share premium amounted to P955.52M.
Deficit	As of the end of 1st quarter March 31, 2024, total deficit incurred for the 1st quarter period amounted to P72.51M. Even though the hospital already operated, it faces challenges at the inception of its actual operation, one of its vital challenges is to increase the number of patient admission to sustain its daily operation, another is the reliance to its affiliate doctors for their referrals for the use of hospital services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and thru the years as we continue providing hospital services to the people.

Changes in Financial Condition for comparative periods December 31, 2023 and 2022

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Inc./{(Dec.)	%	2023	2022
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalent	P4,998,949	P11,514,559	(P6,515,610)	(56.59%)	0.20%	0.55%
Trade and Other Receivables	7,958,575	2,438,056	5,520,519	226.43%	0.32%	0.12%
Inventory	2,709,764	-	2,709,764	100.00%	0.11%	0.00%
Advances to Contractors	50,397,948	58,043,017	(7,645,069)	(13.17%)	2.05%	2.77%
Advances to Suppliers	7,766,188	1,551,654	6,214,534	400.51%	0.32%	0.07%
Prepayments and other current assets	1,822,143	559,910	1,262,233	225.43%	0.07%	0.03%
TOTAL CURRENT ASSETS	75,653,567	74,107,196	1,546,371	2.09%	3.08%	3.53%
NON-CURRENT ASSETS						
Property and Equipment (net)	527,822,795	447,444,919	80,377,876	17.96%	21.52%	21.32%
Construction-In-Progress	1,805,205,972	1,536,817,631	268,388,341	17.46%	73.60%	73.22%
Advances to Related Party	39,030,125	35,595,773	3,434,352	9.65%	1.59%	1.70%
Other Non-Current Assets	5,015,000	5,015,171	(171)	0.00%	0.20%	0.24%
TOTAL NON-CURRENT ASSETS	2,377,073,892	2,024,873,494	352,200,398	17.39%	96.92%	96.47%
TOTAL ASSETS	P2,452,727,459	P2,098,980,690	P353,746,769	16.85%	100.00%	100.00%

LIABILITIES AND EQUITY**CURRENT LIABILITIES**

Accounts Payable and Other Liabilities	P204,702,364	P132,799,504	P71,902,860	54.14%	8.35%	6.33%
Loans Payable to Individuals	20,342,700	20,766,700	(424,000)	(2.04%)	0.83%	0.99%
Notes Payable - Current Portion	25,000,000	28,747,867	(13,747,867)	(47.82%)	0.61%	1.37%

TOTAL CURRENT LIABILITIES	250,045,064	182,314,071	57,730,993	31.67%	9.79%	8.69%
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NON-CURRENT LIABILITIES

Loans Payable to Related Party	393,434,969	237,834,969	155,600,000	65.42%	16.04%	11.33%
Notes Payable - net of Current Portion	970,594,306	857,748,031	112,846,275	13.16%	39.57%	40.86%

TOTAL NON-CURRENT LIABILITIES	1,364,029,275	1,095,583,000	268,446,275	24.50%	55.61%	52.20%
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TOTAL LIABILITIES	1,604,074,339	1,277,897,071	326,177,268	25.52%	65.40%	60.88%
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EQUITY

Share Capital (net)	239,960,000	235,670,000	4,290,000	1.82%	9.78%	11.23%
Share Premium	953,896,162	783,283,829	170,612,333	21.78%	38.89%	37.32%
Retained Earnings/(Deficit)	(345,203,042)	(197,870,210)	(147,332,832)	74.46%	14.07%	9.43%

TOTAL EQUITY	848,653,120	821,083,619	27,569,501	3.36%	34.60%	39.12%
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TOTAL LIABILITIES AND EQUITY	P2,452,727,459	P2,098,980,690	P353,746,769	16.85%	100.00%	100.00%
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ASSETS**Changes in Statement of Financial Condition for
December 31, 2023 vs December 31, 2022**

Cash and Cash Equivalents

The lion's share of Company funds went to the construction of the hospital, expansion of manpower and various licenses that are necessary for the start of hospital operation. Thus, resulted to the low balance current assets this year. When the hospital operates, these figures will have a remarkable change leading to better financial standing for the Company.

Inventory

This is representing initial stock of medicines and medical supplies for the startup of hospital operation this year. In 2023, Inventory account have a balance of P2.70 million.

Trade and Other Receivables

In 2023, Trade and other receivables increased by P5.45 million or by 223.71%. This can be attributed to receivables from PHIC and inpatient amounted to P1.21 million, other receivables from employees' advances amounted to P3.72 million and other remaining receivables amounted to P2.96 million.

Advances to contractors and suppliers	Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings. This account decreased by P7.60 million of by 13.17% as the building is near to its completion thus incurring lesser cost as compared to previous year. Advances to supplier increased by P6.20 million or by 400%, these represents down payments made to suppliers of medical equipment and/or construction materials ordered in preparation for the start of hospital operation this year.
Advances to contractors and suppliers	Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings. This account decreased by P7.60 million of by 13.17% as the building is near to its completion thus incurring lesser cost as compared to previous year. Advances to supplier increased by P6.20 million or by 400%, these represents down payments made to suppliers of medical equipment and/or construction materials ordered in preparation for the start of hospital operation this year.
Prepayments and other Current Assets	This pertains to prepaid insurance amounting to P156,210 and Input VAT amounted to P1.67 million. The balance represents the remaining unutilized cost of insurance and excess of input over output VAT as at December 31, 2023.
Property and Equipment	This represents various equipment/machineries acquired by the hospital during the period in preparation for the commencement of commercial operations. As a result, it increased by P80 million or 17.96% compared to last year. In 2023, Property and Equipment (net) shares by 21.75% of the non-current assets.
Construction in Progress	Pertains to the construction of the hospital building. As of to date, the hospital is 99.86% complete. This year, construction in progress account increased by P268.40 million or 17.46%, which represents 73.43% of the non-current assets.
Advances to Related Party	Advances to related party increased by 3.40 million or by 9.65%.
Other Non-Current Assets	This has no movement during the year. This account represents deposits to MORE POWER Corporation (Php5.00 million), and to Iloilo Medical Society (Php15,000) for office rent.

LIABILITIES

Accounts payable and Other Liabilities	This account consists of the following: Accounts payable - contractors and suppliers amounted to P117.30 million; Retention Payable amounted to P46.40 million; Accrued Interest Payable P25.60 million; Statutory Liabilities P2.60 million; Accrued Expenses P5.90 million; and Accounts Payable - (PTP) P6.90 million- these are non-refundable payments made by medical investors for the Privilege to Practice at the hospital.
Loans Payable to Related Parties	These are loans extended by Phil Pharmawealth, Inc. (PPI) to the Company. Account balance now stands at Php393.43 million. These loans were availed to help pay off company obligations.
Loans from Individuals	These are loans accorded to the Company to help in the construction of the hospital building. These are gradually liquidated whenever funds are available. As at December 31, 2023, the balance amounted to P20.34 million.
Notes Payable (LBP)	The company forged a loan agreement with Land Bank of the Philippines for its hospital construction and equipment. As at December 31 2023, total loans provided by LBP amounted to P1.060 billion. To date, outstanding bank loan amounts to P985.59 million.

EQUITIES

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>As at December 31, 2023, total equity increased by P27.60 million or 3.36% in 2023. Share capital and premium increased by P4.29 million or 1.82% and P170.60 million or 21.78%, respectively. In 2023, total deficit, however, significantly increased by P147.30 million or 74.46%.</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 P953.9M as of end of December 31, 2023.</p>
Deficit	<p>Hospital begun its operation by accepting outpatient and inpatient on November and December 2023, respectively. Opening for the last two month of the year fall short as the direct cost and operating expenses exceeds the total revenue which resulted to a loss of P147.33 million given that it was only given a license to operate initially for 100 out of 240 bed capacity.</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%
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LIABILITY AND EQUITY
**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	0.00%
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%
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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%

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

ASSETS

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.

TRENDS, EVENTS and UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME As of 31 March 2024

The company's quick asset ratio and current ratio both improved. This can be attributed to collection from patient admissions and receivables for hospital and doctors' fees availed by patients who are members of the Philippine Health Insurance Corporation (PhilHealth) and other government institution such as DSWD and PCSO. However, even though the hospital already operated, it faces challenges at the inception of its actual operation, one of its vital challenges is to increase the number of patient admission to sustain its daily operation, another is the reliance to its affiliate doctors for their referrals for the use of hospital services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and

thru the years as we continue providing hospital services to the people.

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

There are no events or any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Company.

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

A complaint was filed against 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) before the Insurance Commission (IC) for engaging in Pre-need activities without license. Ferdinand Kionisala declared 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 (which include ACEMC-Iloilo) are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission. Kionsila filed a Motion for Reconsideration dated 25 November 2020 but was denied. Later on he filed for 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. In his petition dated 04 February 2022, 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. There is no update on the case thereafter.

As of 31 December 2023, to the knowledge and information of the Company, there are no pending material legal proceedings that involve APMCI or any of its properties aside from the aforementioned case. The company commenced its operations on November 13, 2023.

The company has no investments on foreign securities.

There were material commitments for capital expenditures during the period as disclosed in Note 11 of the financial statements

KEY PERFORMANCE INDICATORS

	Definition	31-Mar-24	31-Dec-23	31-Dec-22	31-Dec-21	Remarks
1. Liquidity						
Quick Asset Ratio	$\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$	0.10:1	0.05:1	0.26:1	0.45:1	The improve quick asset ratio can be attributed to collection from its revenues during the 1st quarter period. Even though the hospital already operated, it faces challenges at the inception of its actual operation, one of its vital challenges is to increase the number of patient admission to sustain its daily operation, another is the reliance to its affiliate doctors for their referrals for the use of hospital services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and thru the years as we continue providing hospital services to the people.
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.36:1	0.32:1	0.26:1	0.45:1	As at 1st quarter period ended March 31, 2024, it can be seen that current asset improved. This can be attributed to collection from patient admissions and receivables for hospital and doctors' fees availed by patients who are members of the Philippine Health Insurance Corporation (PhilHealth) and other government institution such as DSWD and PCSO.
2. Solvency						
Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Equity}}$	1.78:1	1.61:1	1.04:1	1.01:1	To facilitate the completion of the building facilities and the purchase of several machinery and equipment, the company secured a loan from Land Bank which resulted to an increase in long term debt.
3. Profitability						
Net Profit Margin	$\frac{\text{Net Income}}{\text{Total Revenue}}$	0.00	0.00	0.00	0.00	Even though the hospital already operated, it faces challenges at the inception of its actual operation, one of its vital challenges is to increase the number of patient admission to sustain its daily operation, another is the reliance to its affiliate doctors for their referrals for the use of hospital services as well as the marketing promotion to reach wide range of potential patients to avail our cutting-edge services. We are positive to see reversals of these challenges for the upcoming quarters and thru the years as we continue providing hospital services to the people.
Return on Equity	$\frac{\text{Net Income}}{\text{Stockholder's Equity}}$	0.00	0.00	0.00	0.00	Stockholders can expect to earn returns on their investment after the hospital generates net income.
4. Leverage						
Debt to Total Asset Ratio	$\frac{\text{Total Liabilities}}{\text{Total Asset}}$	0.68:1	0.68:1	0.61:1	0.57:1	A large portion of the total assets is contributed by the bank and related party. The increase in liabilities is due to additional funds released by them out of the loan agreements. At present, the Total Liabilities to Asset ratio stands at 68:32, which is in line with the bank's requirement of maintaining a minimum ratio of 75:25.
Asset To Equity Ratio	$\frac{\text{Total Asset}}{\text{Equity}}$	3.16:1	28.9:1	2.57:1	2.31:1	The increase in total assets was driven by borrowed funds from Land Bank and a related party, as well as proceeds from share issuance, with only 32% coming from stocks.
5. Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests \& Taxes}}{\text{Interest Expense}}$	0.00	0.00	0.00	0.00	The hospital, being newly operational, is currently unable to generate enough revenue to meet the company's interest payments for the month.

EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004)

The 2023 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 Annex E3

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
Audit Service	242,000.00	220,000.00	200,000.00
Value AddedTax	29,040	26,400	24,000.00
All Other Fees			44,000.00

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

D. 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. Ferjanel 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 and 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. Ferjanel 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.

E. 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 30 April 2024

Name	Position	Age	Citizenship	Occupation	Business/Clinic
1. Biron, Ferjanel G.	Director/ Chairman	59	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	56	Filipino	Pediatrics/ Neurologist	West Visayas State University Medical Center; Comuelo's Clinic; St. Paul's Hospital; Healthlink Asia Pacific Medical Center- Iloilo, Inc. Iloilo City

3. Debuque, Ma. Teresa F.	Lead Independent Director	61	Filipino	Vice Mayor	Municipal Government of Anilao, Iloilo
4. Dianco Felibert O.	Director	50	Filipino	Internal Medicine/ Cardiologist	Healthlink:
5. Fernandez, Lemuel T.	Director/ Asst. Corporate Treasurer	57	Filipino	Businessman	Daily Guardian, Mandurriao, Iloilo
6. Gomez, Lusyl M.	Director	64	Filipino	Pediatrics	IpedCare; Qualimed Hospital Iloilo Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
7. Gonzales, Noel J.	Independent Director	62	Filipino	Businessman	Muebles Italiano: St. Joseph the Workers Builders & Realty Inc.: Disegno Milano, Inc; Gala Curated Setting Corp.
8. Lavalle, Amado M.	Director/ President	61	Filipino	Surgeon/Oncologist	St. Paul's Hospital Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
9. Lavilla, Meride D.	Director/Vice Chairman	61	Filipino	Pediatrician	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. Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
10. Nolasco, Felix P.	Director	71	Filipino	ENT-HNS Specialists	Asian Hospital Medical Center
11. Mary Flor G. Ong	Director/Treasurer	51	Filipino	Internal Medicine- Endocrinology, Diabetes and Metabolism	Iloilo Mission Hospital ,Mission, Iloilo City Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
12. Regozo, Danilo C.	Director/Executive Vice President	61	Filipino	Family Medicine	Farmacia Neo, Tanza Iloilo City (clinic); Iloilo Doctors' Hospital;

					Iloilo Mission Hospital; The Medical City Iloilo; Medicus Medical Center Iloilo. Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
13. Samoro, Fredilyn G.	Director	59	Filipino	Obstetrics and Genecology	Clinic Room 103 Healthlink, Mabini Street Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
14. Suplico, Rolex T.	Director	65	Filipino	Lawyer/ Businessman	Suplico and Austria Law Office
15. Villaflor, Agnes Jean M.	Director/Corporate Treasurer	59	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 Asia Pacific Medical Center- Iloilo, Inc. Iloilo City

All the above were elected as Board of Directors and Officers of the Corporation for the year 2023 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 30 June 2023. During the Organizational Meeting On the same day, the newly elected Directors approved the retention of the 2022 Set of Officers except for the position of Corporate Secretary and Asst. Corporate Secretary.. Analie Generoso was elected as Corporate Secretary and Dr. Lusyl Gomez as Asst. Secretary.

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 30 April 2024

Name	Position	Age	Citizenship	Occupation	Business
1. Abonado Gerard Joel C.	Hospital Administrator	60	Filipino	Physician	Janiuay Geriatrics Clinic

2. Fernandez, Toni Dinah Cheer D.	Investor Relations	55	Filipino	Businesswoman	Daily Guardian Mandurriao Iloilo
3.Cris T. Cortes	Chief Finance Officer	36	Filipino	Accountant	None
4.Villanueva, Maylene B.	Compliance Officer	43	Filipino	Corporate Lawyer	Villanueva Balio and Ariston Law Offices
5.Generoso, Analie	Corporate Secretary/Data Privacy Officer	47	Filipino	Lawyer	None

The independent directors of the Company as of 30 April 2024 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.

On the other hand the Investor Relations Officer and Accounting Manager Toni Dinah Cheer D. Fernandez is the wife of Assistant Treasurer Fernandez. Assistant Corporate Secretary and Director Lusyl Gomez is the cousin-in-law of Medical Director and Board Member , Dr. Agnes Villafior.

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.

Sandiganbayan 5th Division has cleared Former Iloilo Rep. Rolex Suplico of Graft charges after the prosecution failed to establish guilt beyond reasonable doubt.on a decision promulgated on January 12, 2024

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.

During the March 15, 2024 hearing the court informed the parties that it needs time to evaluate the Motion for Partial Summary Judgement filed by complainants and reset the pre-trial conference on April 22, 2024 at 9:15 in the morning without prejudice to the resolution of the motion. The Pre-Trial Conference was cancelled and moved to June 14, 2024.

- 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.

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 2023, 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.

As of 30 April 2024, 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, 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 President and CEO attend the Professional Directors Program conducted by the Institute of Corporate Directors in 2022.

In 2023, the Board of Directors had appointed a Corporate Secretary which is different from the Compliance Officer which manifested its commitment to comply the recommendations of the SEC.

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. It had also set its Strategic Planning Activity to review its rules, policies and procedures , mission, vision and values on July 19-21, 2024.

The 2023 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 2023 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