

## MANAGEMENT REPORT AS OF 30 April, 2025

### 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 2018, thru SEC MSRD 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.

In 2024, the percentage of completion is pegged at 100%. Construction in progress shall be reclassified to building account. As at December 31, 2024, the cost of building amounted to **P1,836,310,239.24**.

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.

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 Mini buses, 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

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

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 is 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 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, dental, dialysis, endoscopy and dermatology services.

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:

<b>NAME OF HOSPITAL</b>	<b>ADDRESS</b>	<b>BED CAPACITY</b>	<b>CATEGORY</b>	<b>LEVEL CLASSIFICATION</b>
AMOSUP (Associated Marine Officers' and Seamen's Hospital Iloilo)	Odate St., Mandurriao, Iloilo City	42	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	104	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	700	Public	3

Western Visayas Sanitarium & General Hospital	RG7G+CQ9, Oton- San Barbara Rd. Santa Barbara, Iloilo	300	Public	1
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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 undertaking preparatory works to be able to achieve 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, Echocardiography, and Dental Panoramic X-ray. It aims to be a one-stop shop for laboratory and imaging services. 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 after the company has registered enough income to support the acquisition cost of the needed equipment:

- Cardiac Catheter Laboratory
- Oncology Center and Transfusion Unit
- Infertility Unit
- Research Center
- Ophthalmology OR

## **Suppliers and Major Contractors**

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. The following are its major suppliers of medical equipment, medical supplies, and medicines:

1. Jamesluisse 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.
7. Oxford Distributions
8. Zuellig Pharma Co.
9. Delex Pharma Int'l. Inc.
10. SV More Pharma (Iloilo City) Inc.
11. Metro Drug Inc.
12. Renal Specialty 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, 2025, and December 31, 2024:

### Advances to related party:

	2025		2024		Terms and Conditions
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	
Endure Medical, Inc. <sup>(a)</sup>	P -	<b>P32,079,869</b>	P -	P32,079,869	Unsecured, noninterest bearing, demandable, no term, collectible in cash.
TIPP Digital Solutions Inc. <sup>(b)</sup>	-	<b>6,902,784</b>	-	6,902,784	
Receivable – others (various ACE Hospitals)	-	<b>47,472</b>	-	47,472	
	<b>P-</b>	<b>P39,030,125</b>	<b>P-</b>	<b>P39,030,125</b>	

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

The Company engaged the services of an Indentor (Endure Medical, Inc.) which had 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.

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

The account represents payments made for the acquisition of Healthcare Management Information System.

### Advances from related party:

	2025		2024		Terms and Conditions
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	
Phil Pharmawealth, Inc. <sup>(c)</sup>	<b>P1,966,360</b>	<b>P543,871,969</b>	P150,437,000	P543,871,969	Unsecured, noninterest bearing, demandable, no term, payable in cash.
Endure Medical, Inc. <sup>(a)</sup>	-	<b>65,734,719</b>	18,534,833	63,768,359	
	<b>P1,966,360</b>	<b>P609,606,688</b>	P168,971,833	P607,640,328	

(c) Advances from related parties – Phil Pharmawealth, Inc.

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which have relatively significant influence over the key management personnel of the Company. The loan was incurred to use as payment of the interest with Land Bank of the Philippines (LBP). The loan bears an interest ranging from 8.50% - 11%, per annum and is payable subject to the availability of funds.

## 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.

The Eighteenth (18th) Division of the Court of Appeals has issued a Resolution dated 05 March 2025. The Company has yet to receive a copy of such resolution.

As of 30 April 2025, 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. 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. There is no public trading market for the Company's shares.

Asia Pacific 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:

Number of Blocks of Common Shares	Maximum Proposed Selling	Price per block
Series 1 <sup>st</sup>	2,600 blocks	P250, 000 per block
2 <sup>nd</sup>	500 blocks	P300, 000 per block
3 <sup>rd</sup>	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. An 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) per block. For the year 2023, 425 blocks of shares were sold from the 3<sup>rd</sup> series. The last selling price was Four Hundred Pesos (PHP 400,000.00) per block. The 3<sup>rd</sup> series were never offered until the 2<sup>nd</sup> series had been sold out in the same manner that the 2<sup>nd</sup> 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 on the Exchange and are issued over the counter only, through the Company's employees acting as sales persons as reflected in its Registration Statement. The percentage of public ownership of the Company as of **31 December 2024** 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. 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 Four (34) holders of Founder Shares and approximately Three Thousand Three Hundred Sixty Six (3,366) holders of common shares of the company as of 30 April 2025.

Ferjenel 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 2025

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	48,266 240	<b>20.21%</b>
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	17.94%
Common Founder		Trustor: BIRON, BRYANT PAUL Q./ Unit 903, Pacific Place. Pearl Drive, Ortigas Center, Pasig City	Filipino	21,140 10	
Common Founder				<b>TOTAL</b> 43,030 20	
Common	OCA-BIRON, MA. REGINA ISABELLE D. Ilaya 2 <sup>nd</sup> Dumangas, Iloilo	OCA-BIRON, MA. REGINA ISABELLE D./ Record Owner is also Beneficial Owner	Filipino	60	8.84%
Common Founder		Trustor: BIRON, BRAEDEN JOHN Q./ Unit 42C Kirov Tower, Estrella St. Rockwell Makati, 1210	Filipino	21,140 10	
Common Founder				<b>TOTAL</b> 21,200 10	

The Top 20 Stockholders as of 30 April 2025 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	48,266 240	20.21%
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	17.94%
Common Founder		Trustor: BIRON, BRYANT PAUL Q./ Unit 903, Pacific Place. Pearl Drive, Ortigas Center, Pasig City	Filipino	21,140 10	
Common Founder				TOTAL 43,030 20	
Common Founder	OCA-BIRON , MA. REGINA ISABELLE/ Ilaya 2 <sup>nd</sup> Dumangas, Iloilo	Oca-Biron, Ma. Regina Isabelle D./ Record Owner is also Beneficial Owner	Filipino	60	8.84%
		Trustor: BIRON, BRAEDEN JOHN Q. / Ilaya 2nd, Dumangas, Iloilo	Filipino	21,140 10 TOTAL 21,200 10	
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	6,788 20	4.28%
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	Filipino	3,668 10	2.92%
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	
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		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 FAITHD./ Record Owner is also Beneficial Owner		300	
Common Founder	<u>RAMIREZ, RUBEN B./ Unit</u> <u>522 The Uptown Place, General Luna St., Iloilo City</u>	<u>RAMIREZ, RUBEN B./</u> <u>Record Owner is also Beneficial Owner</u>	Filipino	5,930 20	2.48%
Common Founder  Common Founder	NOLASCO, FELIX P. & 553 Batulao St., Ayala Alabang Village, Muntinlupa City  NOLASCO, EULENIA P./553 Batulao St., Ayala Alabang Village, Muntinlupa City	NOLASCO, FELIX P. & NOLASCO, EULENIA P./553 / Record Owner is also Beneficial Owner  NOLASCO, EULENIA P./553 / Record Owner is also Beneficial Owner	Filipino	2,340 10 2,340 10	1.96%
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	3,708 10	1.55%
Common Founder	REGOZO, DANILO C./ 185 A. Barangay Bonifacio, Tanza, Iloilo City	REGOZO, DANILO C./ Record Owner is also Beneficial Owner	Filipino	3,678 10	1.54%
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	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	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	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	DAULO, SYLVA L./ Mirasol Subd., Nabitasan Lapaz, Iloilo City	DAULO, SYLA L. / Record Owner is also Beneficial Owner	Filipino	3,050 10	1.28%
Common Founder	GOMEZ, LUSYL M./ Blk1 lot14 Savannah Crest A, Abilay Norte, Oton, Iloilo	GOMEZ, LUSYL M. / Record Owner is also Beneficial Owner	Filipino	2,771 10	1.16%

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 require the approval by the Company's Board, but not that of the stockholders. 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 2024.

#### **Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction**

There are no shares issued by the Company within the past three (3) years, which were not registered with the SEC pursuant to the Securities Regulation Code.

### **C. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) or PLAN OF OPERATION AS OF 30 APRIL 2025**

#### **PLAN OF OPERATION**

On November 3, 2023, the Company received its License to Operate as a Tertiary Level 2 Hospital from the Department of Health. Operations commenced on November 13, 2023, with the opening of outpatient departments and patient admissions starting on December 8, 2023.

In 2024, the revenue generated from the hospital's operations was insufficient to cover the total operating expenses incurred during the period. The Company remains committed to generating positive results and recovering these pre-operating deficits within the normal course of business by implementing strategic marketing initiatives to expand its patient base.

The following are the present services offered by the Hospital:

1. Drug Testing
2. Ambulatory Care Unit (Doctor's Clinic)
3. Emergency Room Services: Adult, Pediatrics, Surgery, Infectious
4. Urgent Care Unit

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

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.

Currently, the Company employs approximately 605 individuals. The decision to hire additional employees will be contingent upon the outcome of the upcoming hospital census.

## **STATEMENTS OF RESULT OF OPERATIONS**

**Results of operation for the Periods Ended March 31, 2025, and December 31, 2024, and 2023:**

<b>Account</b>	<b>31-Mar-25</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
Revenue	P82,148,885	P307,910,026	P5,995,365
Cost of hospital services	(63,974,470)	268,767,300	6,127,455
Gross profit/(loss)	18,174,415	39,142,726	(132,090)
Other income	816,308	1,182,734	71,075
Gross income/(loss)	18,990,723	40,325,460	(61,015)
General and admin expenses	(64,387,756)	(282,385,327)	(110,301,610)
Loss from operations	(45,397,033)	(242,059,867)	(110,362,625)
Finance cost	(29,316,952)	(155,699,208)	(36,970,036)
Net Loss Before Income Tax	P82,148,885	(397,759,075)	(147,332,661)
Income Tax Expense	-	-	(171)
<b>Net Loss for the Year</b>	<b>(P74,713,985)</b>	<b>(P397,759,075)</b>	<b>(P147,332,832)</b>

**STATEMENTS OF FINANCIAL CONDITION**

**Statements of Financial Position  
For Comparable Periods  
March 31, 2025, and December 31, 2024**

ASSETS	Horizontal Analysis				Vertical Analysis	
	31-Mar-25	31-Dec-24	Inc./(Dec.)	%	31-Mar-25	31-Dec-24
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalent	<b>P12,001,932</b>	P13,830,999	(P1,829,067)	-13.22%	<b>0.48%</b>	0.55%
Trade Receivables	<b>74,534,346</b>	67,324,801	7,209,545	10.71%	<b>3.01%</b>	2.68%
Inventory	<b>59,010,662</b>	75,662,389	(16,651,727)	-22.01%	<b>2.38%</b>	3.01%
Other Receivables	<b>13,358,265</b>	10,070,362	3,287,903	32.65%	<b>0.54%</b>	0.40%
Advances to Contractors	<b>26,488,134</b>	26,488,134	-	0.00%	<b>1.07%</b>	1.05%
Advances to Suppliers	<b>25,582,258</b>	21,088,595	4,493,664	21.31%	<b>1.03%</b>	0.84%
Prepayments and other current assets	<b>19,748,313</b>	16,812,711	2,935,602	17.46%	<b>0.80%</b>	0.67%
<b>TOTAL CURRENT ASSETS</b>	<b>230,723,910</b>	231,277,991	(554,081)	<b>-0.24%</b>	<b>9.31%</b>	9.20%
<b>NON-CURRENT ASSETS</b>						
Property and Equipment (net)	<b>2,203,149,758</b>	2,238,660,948	(35,511,190)	-1.59%	<b>88.91%</b>	89.05%
Advances to Related Party	<b>39,030,125</b>	39,030,125	-	0.00%	<b>1.58%</b>	1.55%
Other Non-Current Assets	<b>5,035,000</b>	5,035,000	-	0.00%	<b>0.20%</b>	0.20%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,247,214,883</b>	2,282,726,073	(35,511,190)	<b>-1.56%</b>	<b>90.69%</b>	90.80%
<b>TOTAL ASSETS</b>	<b>P2,477,938,793</b>	P2,514,004,064	(P36,065,271)	<b>-1.43%</b>	<b>100.00%</b>	100.00%
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Other Liabilities	<b>P578,912,732</b>	P529,464,018	P49,448,714	8.54%	<b>23.36%</b>	21.06%
Loans Payable to Individuals	<b>14,903,226</b>	15,703,226	(800,000)	-5.37%	<b>0.60%</b>	0.62%
Notes Payable - Current Portion	<b>15,000,000</b>	15,000,000	-	0.00%	<b>0.61%</b>	0.60%
<b>TOTAL CURRENT LIABILITIES</b>	<b>608,815,958</b>	560,167,244	48,648,714	7.99%	<b>24.57%</b>	22.28%
<b>NON-CURRENT LIABILITIES</b>						
Loans Payable to Related Party	<b>543,871,969</b>	543,871,969	-	0.00%	<b>21.95%</b>	21.63%
Notes Payable - net of Current Portion	<b>945,594,306</b>	955,594,306	(10,000,000)	-1.05%	<b>38.16%</b>	38.01%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,489,466,275</b>	1,499,466,275	(10,000,000)	<b>-0.67%</b>	<b>60.11%</b>	59.64%
<b>TOTAL LIABILITIES</b>	<b>2,098,282,233</b>	2,059,633,519	38,648,714	1.88%	<b>84.68%</b>	81.93%
<b>EQUITY</b>						
Share Capital (net)	<b>239,960,000</b>	239,960,000	-	0.00%	<b>9.68%</b>	9.54%
Share Premium	<b>957,372,662</b>	957,372,662	-	0.00%	<b>38.64%</b>	38.08%
Retained Earnings/(Deficit)	<b>(817,676,102)</b>	(742,962,117)	(74,713,985)	10.06%	<b>-33.00%</b>	29.55%
<b>TOTAL EQUITY</b>	<b>379,656,560</b>	454,370,545	(74,713,985)	<b>-16.44%</b>	<b>15.32%</b>	18.07%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P2,477,938,793</b>	P2,514,004,064	(P36,065,271)	<b>-1.43%</b>	<b>100.00%</b>	100.00%

## MANAGEMENT DISCUSSION and ANALYSIS

For Comparable Periods March 31, 2025, and 2024

(Revenue, Direct Cost, and Net Loss)

	Horizontal Analysis				Vertical Analysis	
	31-Mar-25	31-Mar-24	Inc./ (Dec.)	%	31-Mar-25	31-Mar-24
Revenue	P82,148,885	P51,332,214	P30,816,671	60.03%	100.00%	100.00%
Direct Cost	(63,974,470)	(52,001,338)	11,973,132	23.02%	77.88%	101.30%
Gross profit/(loss)	18,174,415	(669,124)	18,843,539	2816.15%	22.12%	1.30%
Other income	816,308	504,708	311,600	61.74%	0.99%	0.98%
Gross income / (loss)	18,990,723	(164,416)	19,155,139	11650.41%	23.12%	0.32%
General and admin expenses	(64,387,756)	(42,531,409)	21,856,347	51.39%	78.38%	82.86%
Loss from operations	(45,397,033)	(42,695,825)	2,701,208	6.33%	55.26%	83.18%
Finance cost	(29,316,952)	(29,813,568)	(496,616)	-1.67%	35.69%	58.08%
<b>Net Income / (loss) for the period</b>	<b>(P74,713,985)</b>	<b>(P72,509,393)</b>	<b>P2,204,592</b>	<b>3.04%</b>	<b>90.95%</b>	<b>141.26%</b>

### REVENUE

Hospital revenue reached Php82.15 million in the first quarter ending March 31, 2025, a 60.03% increase from the preceding year's Php51.33 million. Consistent efforts to maintain patient connections and refine product/service offerings contributed to this favorable sales trajectory. Hospital revenue includes inpatient and outpatient services:

- Pharmacy: Php28.37 million (31.07%)
- Room accommodations: Php18.25 million (20.00%)
- Pathology: Php15.17 million (16.62%)
- Imaging: Php8.60 million (9.41%)
- Central supply room: Php8.25 million (9.00%)
- Pulmonary: Php2.35 million (2.60%)
- Other specialized healthcare services: P10.33 million (11.30%)

### DIRECT COST

Direct costs, directly attributable to patient care, increased due to factors like purchasing medicines and supplies, the surge in patient volume, and the need for specialized equipment and personnel. For the first quarter ended March 31, 2025, direct costs amounted to P63.97 million, comprising P33.36 million in direct hospital supplies and P30.61 million in direct overheads.

## GENERAL AND ADMIN EXPENSES

This account consists of:

	For the 1st quarter periods March 31		Horizontal Analysis	
	2025	2024	Inc./ (Dec.)	%
Salaries and Wages	P25,710,653	P26,251,848	(P541,195)	-2%
Depreciation	11,578,310	177,482	11,400,828	6276%
Utilities Expenses	7,829,492	9,453,208	(1,623,716)	-17%
SSS, PHIC and HDMF Contributions	4,121,398	3,751,741	369,657	10%
Professional Fees	4,561,761	-	4,561,761	100%
Housekeeping Expense	2,870,819	45,770	2,825,049	6172%
Security Services	2,628,907	1,787,920	840,987	47%
Taxes and Licenses	1,620,623	126,579	1,494,044	1180%
Office Supplies	1,487,591	241	1,487,350	617158%
Transportation and Travel Expenses	350,658	6,619	344,039	5198%
Repairs and Maintenance Expenses	256,136	126,063	130,073	103%
Communication Expenses	174,399	160,051	14,348	9%
Training, Workshop, Seminar	112,694	23,500	89,194	380%
Entertainment and Representation Expenses	45,849	46,253	(404)	-1%
Advertising Expenses	9,585	238,954	(229,369)	-96%
Rental Expense	6,316	-	6,316	100%
Membership and Subscription Expenses	2,500	35,000	(32,500)	-93%
Miscellaneous Expenses	1,020,065	300,180	719,885	240%
<b>TOTAL</b>	<b>P64,387,756</b>	<b>P42,531,409</b>	<b>P21,856,347</b>	<b>51%</b>

For the 1st quarter ending March 31, 2025, general and administrative expenses totaled Php64.39 million, a 51% increase from the preceding year's Php42.53 million. Salaries and allowances declined due to employee turnover, but the overall rise indicates substantial company-related costs for core business operations. These expenses include professional consultancy fees (Php4.56 million), housekeeping and security services (Php5.50 million), taxes and license fees (Php1.62 million), and other expenses (Php2.88 million). Depreciation expenses for the recognized building contributed Php9.18 million to this account.

### Other Income

Other income is mostly derived from interest income earned from bank; and other miscellaneous income amounted to Php792.68; and Php815K, as of March 31, 2025, respectively.

### Finance Costs

This consists of interest expenses incurred on bank and related party loans. For the 1st quarter ended March 31, 2025, interest incurred from bank loans and related party loans amounted to P32.68 million and P10.23 million, respectively.

### Net Losses for the Period

Despite its financial deficit, the hospital faces challenges during the first quarter of 2025. To ensure its operational viability, it requires an increase in patient admissions. Additionally, the hospital collaborates with affiliated physicians for referrals and marketing campaigns to attract prospective patients. We remain optimistic about our ability to overcome these obstacles and provide exceptional hospital services to the community.

**For Comparable Periods December 31, 2024, and 2023  
(Revenue, Direct Cost, and Loss)**

Account	For the years ended December 31		Horizontal Analysis		Vertical Analysis		
	2024	2023	Inc./(Dec.)	%	2024	2023	
Revenue	P307,910,026	P5,995,365	P301,914,661	5035.80%	100.00%	100.00%	[A]
Direct Cost	268,767,300	6,127,455	(262,639,845)	4286.28%	(87.29%)	102.20%	
Gross Income/(Loss)	39,142,726	(132,090)	39,274,816	(29733.38%)	12.71%	2.20%	
Other Income	1,182,734	71,075	1,111,659	1564.06%	0.38%	1.19%	[B]
Gross Income/(Loss)	40,325,460	(61,015)	40,386,475	(66191.06%)	13.10%	1.02%	
General and Admin Expenses	(282,385,327)	(110,301,610)	(172,083,717)	156.01%	(91.71%)	1839.78%	[C]
Loss From Operations	(242,059,867)	(110,362,625)	(131,697,242)	119.33%	(78.61%)	1840.80%	
Finance Cost	(155,699,208)	(36,970,036)	(118,729,172)	321.15%	(50.57%)	616.64%	[D]
Net Loss Before Income Tax	(397,759,075)	(147,332,661)	(250,426,414)	169.97%	(129.18%)	2457.44%	
Income Tax Expense	-	(171)	171	(100.00%)	0.00%	0.00%	
Net Loss for the Year	(P397,759,075)	(P147,332,832)	(P250,426,243)	169.97%	(129.18%)	2457.45%	[E]

[A]	<b>Revenue and Direct Cost</b>	<p><b>Revenue and direct costs have substantially increased since the company commenced its inaugural full year of hospital operations.</b></p> <p><b>Revenue</b> During the initial year of operation, revenue generation primarily originated from initial patient connections, extensive marketing initiatives, and potential product/service refinement, all of which contributed to a favorable sales trajectory. Notably, the hospital reached its peak during the third quarter in response to the dengue outbreaks. For the fiscal year ending December 31, 2024, revenue amounted to P307.90 million, encompassing a diverse range of inpatient and outpatient hospital services, including pharmacy - P87.97 million (29%), room accommodations - P 79.70 million (26%), pathology - P42.38 million (14%), central supply room - P25.49 million (8%), imaging - P21.11 (7%), pulmonary - P12.72 million (4%), emergency department - P10.04 million (3%), cardio/neurological - P5.41 million (2%), and other specialized healthcare services - P23.08 million (7%).</p> <p><b>Direct Costs</b> Direct costs are expenses directly attributable to patient care. During a hospital's first year, an increase in direct costs can be attributed to various factors, such as startup costs, heightened patient volume, and the necessity for specialized equipment and personnel due to the surge in admissions, both inpatient and outpatient, throughout the year. For the year ended December 31, 2024, direct cost amounted to P268.77 million, which comprised of direct hospital supplies amounted to P101.73 million and direct overheads amounted to P167.04 million.</p>																																																																																																																																								
[B]	<b>Other Income</b>	This account consists of interest income earned from banks and other miscellaneous income amounted to P2,105 and P1.18 million for the year ended December 31, 2023, respectively.																																																																																																																																								
[C]	<b>General and Admin Expenses</b>	<p>This account consists of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">For the Years Ended December 31</th> <th colspan="2">Horizontal Analysis</th> <th rowspan="2"></th> </tr> <tr> <th>2024</th> <th>2023</th> <th>Inc./(Dec.)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Salaries and Wages</td> <td>P87,491,420</td> <td>P65,369,298</td> <td>P22,122,122</td> <td>33.84%</td> <td></td> </tr> <tr> <td>Utilities Expenses</td> <td>51,738,090</td> <td>8,323,809</td> <td>43,414,281</td> <td>521.57%</td> <td>[C.1]</td> </tr> <tr> <td>Depreciation</td> <td>48,382,414</td> <td>5,394,843</td> <td>42,987,571</td> <td>796.83%</td> <td>[C.2]</td> </tr> <tr> <td>Professional Fees</td> <td>33,272,069</td> <td>1,193,873</td> <td>32,078,196</td> <td>2686.90%</td> <td>[C.3]</td> </tr> <tr> <td>SSS, PHIC and HDMF Contributions</td> <td>14,586,982</td> <td>7,865,598</td> <td>6,721,384</td> <td>85.45%</td> <td></td> </tr> <tr> <td>Security Services</td> <td>8,684,813</td> <td>3,074,911</td> <td>5,609,902</td> <td>182.44%</td> <td></td> </tr> <tr> <td>Office Supplies</td> <td>8,509,166</td> <td>3,501,593</td> <td>5,007,573</td> <td>143.01%</td> <td></td> </tr> <tr> <td>Housekeeping Expense</td> <td>8,415,291</td> <td>460,633</td> <td>7,954,658</td> <td>1726.90%</td> <td></td> </tr> <tr> <td>Taxes and Licenses</td> <td>6,926,145</td> <td>7,417,040</td> <td>(490,895)</td> <td>(6.62%)</td> <td></td> </tr> <tr> <td>Board meetings and conferences</td> <td>4,862,485</td> <td>2,257,500</td> <td>2,604,985</td> <td>115.39%</td> <td></td> </tr> <tr> <td>Insurance Expenses</td> <td>2,305,495</td> <td>445,426</td> <td>1,860,069</td> <td>417.59%</td> <td></td> </tr> <tr> <td>Transportation and Travel Expenses</td> <td>1,190,229</td> <td>305,828</td> <td>884,401</td> <td>289.18%</td> <td></td> </tr> <tr> <td>Training, Workshop, Seminar</td> <td>954,891</td> <td>1,418,787</td> <td>(463,896)</td> <td>(32.70%)</td> <td></td> </tr> <tr> <td>Repairs and Maintenance Expenses</td> <td>901,409</td> <td>786,245</td> <td>115,164</td> <td>14.65%</td> <td></td> </tr> <tr> <td>Communication Expenses</td> <td>811,393</td> <td>511,602</td> <td>299,791</td> <td>58.60%</td> <td></td> </tr> <tr> <td>Advertising Expenses</td> <td>749,906</td> <td>605,967</td> <td>143,939</td> <td>23.75%</td> <td></td> </tr> <tr> <td>Entertainment and Representation Expenses</td> <td>292,075</td> <td>9,612</td> <td>282,463</td> <td>2938.65%</td> <td></td> </tr> <tr> <td>Membership and Subscription Expenses</td> <td>258,285</td> <td>182,385</td> <td>75,900</td> <td>41.62%</td> <td></td> </tr> <tr> <td>Rental Expense</td> <td>44,211</td> <td>3,500</td> <td>40,711</td> <td>1163.17%</td> <td></td> </tr> <tr> <td>Miscellaneous Expenses</td> <td>2,008,557</td> <td>1,173,160</td> <td>835,397</td> <td>71.21%</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>P282,385,327</b></td> <td><b>P110,301,610</b></td> <td><b>(P172,083,717)</b></td> <td><b>(60.94%)</b></td> <td></td> </tr> </tbody> </table>		For the Years Ended December 31		Horizontal Analysis			2024	2023	Inc./(Dec.)	%	Salaries and Wages	P87,491,420	P65,369,298	P22,122,122	33.84%		Utilities Expenses	51,738,090	8,323,809	43,414,281	521.57%	[C.1]	Depreciation	48,382,414	5,394,843	42,987,571	796.83%	[C.2]	Professional Fees	33,272,069	1,193,873	32,078,196	2686.90%	[C.3]	SSS, PHIC and HDMF Contributions	14,586,982	7,865,598	6,721,384	85.45%		Security Services	8,684,813	3,074,911	5,609,902	182.44%		Office Supplies	8,509,166	3,501,593	5,007,573	143.01%		Housekeeping Expense	8,415,291	460,633	7,954,658	1726.90%		Taxes and Licenses	6,926,145	7,417,040	(490,895)	(6.62%)		Board meetings and conferences	4,862,485	2,257,500	2,604,985	115.39%		Insurance Expenses	2,305,495	445,426	1,860,069	417.59%		Transportation and Travel Expenses	1,190,229	305,828	884,401	289.18%		Training, Workshop, Seminar	954,891	1,418,787	(463,896)	(32.70%)		Repairs and Maintenance Expenses	901,409	786,245	115,164	14.65%		Communication Expenses	811,393	511,602	299,791	58.60%		Advertising Expenses	749,906	605,967	143,939	23.75%		Entertainment and Representation Expenses	292,075	9,612	282,463	2938.65%		Membership and Subscription Expenses	258,285	182,385	75,900	41.62%		Rental Expense	44,211	3,500	40,711	1163.17%		Miscellaneous Expenses	2,008,557	1,173,160	835,397	71.21%		<b>TOTAL</b>	<b>P282,385,327</b>	<b>P110,301,610</b>	<b>(P172,083,717)</b>	<b>(60.94%)</b>	
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Housekeeping Expense	8,415,291	460,633	7,954,658	1726.90%																																																																																																																																						
Taxes and Licenses	6,926,145	7,417,040	(490,895)	(6.62%)																																																																																																																																						
Board meetings and conferences	4,862,485	2,257,500	2,604,985	115.39%																																																																																																																																						
Insurance Expenses	2,305,495	445,426	1,860,069	417.59%																																																																																																																																						
Transportation and Travel Expenses	1,190,229	305,828	884,401	289.18%																																																																																																																																						
Training, Workshop, Seminar	954,891	1,418,787	(463,896)	(32.70%)																																																																																																																																						
Repairs and Maintenance Expenses	901,409	786,245	115,164	14.65%																																																																																																																																						
Communication Expenses	811,393	511,602	299,791	58.60%																																																																																																																																						
Advertising Expenses	749,906	605,967	143,939	23.75%																																																																																																																																						
Entertainment and Representation Expenses	292,075	9,612	282,463	2938.65%																																																																																																																																						
Membership and Subscription Expenses	258,285	182,385	75,900	41.62%																																																																																																																																						
Rental Expense	44,211	3,500	40,711	1163.17%																																																																																																																																						
Miscellaneous Expenses	2,008,557	1,173,160	835,397	71.21%																																																																																																																																						
<b>TOTAL</b>	<b>P282,385,327</b>	<b>P110,301,610</b>	<b>(P172,083,717)</b>	<b>(60.94%)</b>																																																																																																																																						

		<p>The substantial surge in hospital general and administrative expenses can be attributed to a confluence of factors, including the initial investment required to establish the facility, the allocation of funds for infrastructure development, the implementation of marketing strategies to enhance brand visibility, and the recruitment of additional personnel to support the organization's growth during its first year of full operational capacity.</p> <p><b>[C.1] Utilities Expense.</b> The significant increase can be significantly attributed to electricity incurred amounting to P50.21 million and fuel consumption used in the hospital generator set amounting to P893.00 thousand due to experienced fluctuation in power supply during the year.</p> <p><b>[C.2] Depreciation.</b> In 2024, the construction project, which is now complete, has been reclassified to the building account. As of December 31, 2024, the building is recognized with an amount of P1,836,310,239.24, which will depreciate over its 50-year useful life. Depreciation expense significantly increased due to recognition of depreciation expense building for the year. During the year, the depreciation expenses recognized for building and other hospital office equipment amounted to P36.72 million and P11.65 million, respectively.</p> <p><b>[C.3] Professional Fee.</b> This account consists of various professional fees such as medical consultancy services P19.23 million, legal and other consultancy fee P3.11 million, and audit fee and other professional fees P10.93 million incurred during the year.</p>
<b>[D]</b>	<b>Finance Cost</b>	This account consists of interest expenses incurred on bank and related party loans. For the year ended December 31, 2024, interest incurred from bank loans and related party loans amounted to P98.80 million and P56.90 million, respectively.
<b>[E]</b>	<b>Net Losses</b>	Despite its financial deficit, the hospital faces challenges during the year. To ensure its operational viability, it requires an increase in patient admissions. Additionally, the hospital collaborates with affiliated physicians for referrals and marketing campaigns to attract prospective patients. We remain optimistic about our ability to overcome these obstacles and provide exceptional hospital services to the community.

### Changes in Financial Condition for Comparative periods March 31, 2025 and December 31, 2024

	Horizontal Analysis				Vertical Analysis	
	31-Mar-25	31-Dec-24	Inc./(Dec.)	%	31-Mar-25	31-Dec-24
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalent	P12,001,932	P13,830,999	(P1,829,067)	-13.22%	0.48%	0.55%
Trade Receivables	74,534,346	67,324,801	7,209,545	10.71%	3.01%	2.68%
Inventory	59,010,662	75,662,389	(16,651,727)	-22.01%	2.38%	3.01%
Other Receivables	13,358,265	10,070,362	3,287,903	32.65%	0.54%	0.40%
Advances to Contractors	26,488,134	26,488,134	-	0.00%	1.07%	1.05%
Advances to Suppliers	25,582,258	21,088,595	4,493,664	21.31%	1.03%	0.84%
Prepayments and other current assets	19,748,313	16,812,711	2,935,602	17.46%	0.80%	0.67%
<b>TOTAL CURRENT ASSETS</b>	<b>230,723,910</b>	<b>231,277,991</b>	<b>(554,081)</b>	<b>-0.24%</b>	<b>9.31%</b>	<b>9.20%</b>
<b>NON-CURRENT ASSETS</b>						
Property and Equipment (net)	2,203,149,758	2,238,660,948	(35,511,190)	-1.59%	88.91%	89.05%
Advances to Related Party	39,030,125	39,030,125	-	0.00%	1.58%	1.55%
Other Non-Current Assets	5,035,000	5,035,000	-	0.00%	0.20%	0.20%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,247,214,883</b>	<b>2,282,726,073</b>	<b>(35,511,190)</b>	<b>-1.56%</b>	<b>90.69%</b>	<b>90.80%</b>
<b>TOTAL ASSETS</b>	<b>P2,477,938,793</b>	<b>P2,514,004,064</b>	<b>(P36,065,271)</b>	<b>-1.43%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Other Liabilities	P578,912,732	P529,464,018	P49,448,714	8.54%	23.36%	21.06%
Loans Payable to Individuals	14,903,226	15,703,226	(800,000)	-5.37%	0.60%	0.62%
Notes Payable - Current Portion	15,000,000	15,000,000	-	0.00%	0.61%	0.60%
<b>TOTAL CURRENT LIABILITIES</b>	<b>608,815,958</b>	<b>560,167,244</b>	<b>48,648,714</b>	<b>7.99%</b>	<b>24.57%</b>	<b>22.28%</b>
<b>NON-CURRENT LIABILITIES</b>						
Loans Payable to Related Party	543,871,969	543,871,969	-	0.00%	21.95%	21.63%
Notes Payable - net of Current Portion	945,594,306	955,594,306	(10,000,000)	-1.05%	38.16%	38.01%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,489,466,275</b>	<b>1,499,466,275</b>	<b>(10,000,000)</b>	<b>-0.67%</b>	<b>60.11%</b>	<b>59.64%</b>
<b>TOTAL LIABILITIES</b>	<b>2,098,282,233</b>	<b>2,059,633,519</b>	<b>38,648,714</b>	<b>1.88%</b>	<b>84.68%</b>	<b>81.93%</b>
<b>EQUITY</b>						
Share Capital (net)	239,960,000	239,960,000	-	0.00%	9.68%	9.54%
Share Premium	957,372,662	957,372,662	-	0.00%	38.64%	38.08%
Retained Earnings/(Deficit)	(817,676,102)	(742,962,117)	(74,713,985)	10.06%	-33.00%	29.55%
<b>TOTAL EQUITY</b>	<b>379,656,560</b>	<b>454,370,545</b>	<b>(74,713,985)</b>	<b>-16.44%</b>	<b>15.32%</b>	<b>18.07%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P2,477,938,793</b>	<b>P2,514,004,064</b>	<b>(P36,065,271)</b>	<b>-1.43%</b>	<b>100.00%</b>	<b>100.00%</b>

## Assets

As of the first quarter period ending March 31, 2025, the Company's assets have exhibited a consistent growth trajectory. This growth is primarily attributed to the strong performance of essential financial assets, including cash, receivables, and hospital supplies. These assets are necessary for ensuring patient care and optimizing operational efficiency.

As of March 31, 2025, the Company's total assets were Php2.48 billion, with Php230.72 million in current assets (9.31%) and Php2.25 billion in non-current assets (90.69%).

The non-current assets amounted to Php2.25 billion consists of the following:

**Property and Equipment.** In 2024, the completed construction project was reclassified to the building account, totaling Php1,836,310,239.24. This account depreciates over its 50-year useful life.

As of March 31, 2025, the building account includes:

- Land: Php28.29 million
- Building: Php1,836.35 billion
- Medical equipment: Php356.85 million
- Hospital equipment: Php114.76 million
- Kitchen tools: Php32.22 million
- Hospital vehicles: Php10.48 million
- Office equipment: Php17.29 million

Depreciation for the first quarter period amounted to Php11.58 million in general and administrative expenses and Php25.44 million in direct costs.

**Advances to Related Party.** Advances to related parties have no movement as of the end of the 1<sup>st</sup> quarter period.

**Other Non-Current Assets.** This account represents deposits to MORE POWER Corporation (Php5.00M), Iloilo Medical Society (Php15,000) for office rent and DOH application requirement for Drug testing services (Php20,000).

The current assets amounting to P230.72 million consist of the following:

**Cash and Cash Equivalents.** The increase in cash and cash equivalent can be attributed to collection from its revenue during the 1<sup>st</sup> 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.

**Inventory.** As of March 31, 2025, the inventory account comprises general hospital maintenance supplies, medical and laboratory supplies, and drugs and medicines, amounting to P22.08 million, P24.10 million, and P12.82 million, respectively.

**Trade and Other Receivables.** The hospital's trade and other receivables indicate a positive financial position, although cash payments have not yet been received. Several factors contribute to this delay, including the billing methods employed for patients, the payment processes of insurance companies, and the payment arrangements made by patients for their medical care.

As of March 31, 2025, the hospital's trade and other receivables encompass funds from PHIC (P38.25 million), HMOs (P27.81 million), Government Institutions (P24.83 million), and other sources (P13.26 million).

**Advances to contractors and suppliers.** Advances to contractors are recognized as a benefit for each project awarded and are liquidated through deduction, on a pro-rata basis, from the contractor's periodic progress billings. As a result of the building's completion, there was no movement to this account during the 1<sup>st</sup> quarter period March 31, 2025. Advances to suppliers increased by P4.49 million (21.31%), representing down payments made to various hospital suppliers as of the 1<sup>st</sup> quarter period March 31, 2025.

**Prepayments and other Current Assets.** The account represents the unutilized cost of insurance, including Php1.81 million for premiums, Php1.90 million for taxes and licenses, and Php14.97 million for the excess of input over output VAT and the carryover of input VAT from previous periods. Additionally, the creditable withholding tax on IT amounted to Php1.05 million, and the creditable withholding tax on IT carryover from previous periods also contributed to this amount. As of the 1st quarter period ending March 31, 2025, the total amount credited to the account was Php1.05 million.

## Liabilities

The Company's liabilities account amounted to Php2.10 billion which represents a share of 84.68% of its resources, as of March 31, 2025.

### Liabilities consist of the following:

**Accounts Payables and Other Liabilities.** This account consists of the following: Accounts payable - contractors and suppliers amounted to P288.42 million; Retention Payable amounted to P41.80 million; Accrued Interest Payable P119.08 million; and other payables amounted to P129.60 million.

**Loans Payable to Related Parties.** These are loans extended by Phil Pharmawealth, Inc. (PPI) to the Company. As of 1<sup>st</sup> quarter period ending March 31, 2025, the balance stands at P543.87 million. These loans were granted 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, 2025, the balance amounted to P14.90 million.

**Notes Payable (LBP)** - On 2023, Landbank of the Philippines, approved the term loan 5 the first restructuring of the total outstanding balance of term loan 1, 3 and 4 in the amount of P985,594,306 up to seven (7) years from date of effectivity with one (1) quarter grace period on principal and interest. As of March 31, 2025, the outstanding balance and finance cost incurred amounted to P960.59 and P6.87 million, respectively.

## Equities

Total equity decreased by P74.71 million or 16.44% in as of the end of 1<sup>st</sup> quarter March 31, 2025 this can be attributed to total deficit incurred amounted to P74.71 million for the 1<sup>st</sup> quarter ending March 31, 2025.

**TRENDS, EVENTS and UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME As of 31 December 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.

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 (KPIs)

Financial KPI		Definition	31-Dec-24	31-Dec-23	Remarks
<b>1. Liquidity</b>					
	Quick Asset Ratio	$\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$	0.16	0.05	During the initial year of full operational capacity, a hospital frequently experiences a substantial increase in patient volume and revenue generation. This surge in cash flow can result in an elevated quick ratio, as the hospital gains enhanced access to its financial resources. Furthermore, the heightened level of trade and other receivables indicate that the hospital has generated revenue but has not yet received cash payments that are due to billing processes, insurance claims, or patient payment arrangements. Consequently, strategies have been implemented to optimize cash collection, thereby enhancing the company's access to funds and enabling its timely payment of debts.
	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.41	0.32	During the initial year of full capacity, a hospital experiences a significant surge in patient volume and revenue, leading to a heightened current asset ratio due to increased cash flow, receivables, and inventory. This surge in financial resources is facilitated by the hospital's increased access to funds. To optimize cash collection and inventory management, strategic measures have been implemented, enhancing the company's access to funds and facilitating timely debt payments.
<b>2. Solvency</b>					
	Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Equity}}$	3.30	1.61	The increase in long-term debt is due to additional loans extended to the hospital, while collections from sales are not yet sufficient to cover the cost of monthly operations.
<b>3. Profitability</b>					
	Net Profit Margin	$\frac{\text{Net Income}}{\text{Total Revenue}}$	0.00	0.00	While sales growth has been favorable, operational expenses have experienced an increase. Undeterred by these challenges, the hospital maintains optimism about surmounting them in the forthcoming years and providing exceptional healthcare services to our community.
	Return on Equity	$\frac{\text{Net Income}}{\text{Stockholder's Equity}}$	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	0.65	There has been a slight increase in total liabilities compared to total assets. The hospital is still in debt to Land Bank for loans used for constructing the building and acquiring state-of-the-art medical equipment. The increase in liabilities also includes current liabilities.
Asset To Equity Ratio	$\frac{\text{Total Asset}}{\text{Equity}}$	5.53	2.89	This increase in ratio shows that a majority of the company's assets are being acquired through loans and borrowings.
5. Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests \& Taxes}}{\text{Interest Expense}}$	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 year.

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

The 2024 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:

The External Audit or has rendered:

Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.

The Audit Committee has approved the above-mentioned services The aggregate fees billed are shown below:

Year	2024	2023	2022
Audit Service	<b>P321,160</b>	<b>P271, 040</b>	<b>P246,400</b>
Audit Related Services	---	---	---
Tax Services	---	---	---

Dimaculangan and Dimaculangan and Company CPAs did not render tax or other services in 2024. Audit service fees are inclusive of 15% of other fees which represents out of pocket expenses (OPE) and QAR Fees plus 12% VAT.

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. Ferjenel Biron, Chairman of APMCI Board.

In 2017, the directors and shareholders of the company were mandated and empowered to contribute resources and make cash advances in favor of the company to augment the development/construction of its medical structures 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. Ferjenel Biron, Chairman of the Board of APMC Iloilo. The loan was intended to pay off necessary obligations of the company. Subsequently, additional loans were made after. These are interest bearing loans (4.50% to 6.50%) that are agreed to be paid subject to availability of funds.

Also, the company employed the services of TIPP Plus Digital Solutions for the custom-made Hospital Management Information System that the hospital will be using. TIPP Plus' President is Atty. Maylene Villanueva who is the 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 2025.

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>	<b>Occupation</b>	<b>Business/Clinic</b>
1. Biron, Ferjanel G.	Director/ Chairman	60	Filipino	Businessman/ Congressman / General Medicine	Aesthetica Manila, Inc., Smartlab Diagnostics and Dialysis Center, Inc., Park3 Realty & Development Corporation, EMI Properties, OPC, Newlife Regenerative & Wellness Center Inc., Obbo Holdings, Inc., Botikang Pinoy, Inc., Super BP Mart Corporation, Endure Medical Laboratories, Inc., Ferj Pharmacy, Inc.  Asia-Pacific Medical Center Aklan, Inc., Asia-Pacific Medical Center- Bacolod Inc., Fourth (4 <sup>th</sup> ) District of Representative of Iloilo
2. Belgira, Johanna Marie B.	Independent Director	35	Filipino	Municipal Legal Officer/ Practicing Lawyer/ Businesswom an	Legal Department, 2nd floor, New Municipal Hall, Tabucan, Barotac Nuevo, Iloilo/  Lutero, Andutan, Hongco, Bermudo and Gumboc Law Office, No. 38 Fortunata

					Street, Iloilo City/ Jinsilseong Samgyeopsal Restaurant, General Luna St. Iloilo City
3. Comuelo, Jerusha A.	Independent Director	57	Filipino	Pediatrics/ Neurologist	West Visayas State University Medical Center, Comuelo's Clinic, St. Paul's Hospital, Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
4. Debuque, Ma. Teresa F.	Lead Independent Director	62	Filipino	Vice Mayor	Municipal Government of Anilao, Iloilo
5. Dianco, Felibert O.	Director	51	Filipino	Internal Medicine/ Cardiologist	Healthlink Medical and Diagnostic Clinic. Mabini St. Iloilo City  Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
6. Fernandez, Lemuel T.	Director/ Asst. Corporate Treasurer	58	Filipino	Businessman	Daily Guardian, Mandurriao, Iloilo City
7. Gomez, Lusyl M.	Director/ Asst. Corporate Secretary	65	Filipino	Pediatrics	IpedCare, Qualimed Hospital Iloilo, Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
8. Lavallo, Amado Jr. M.	Director/ President	62	Filipino	Surgeon/ Oncologist	St. Paul's Hospital, Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
9. Lavilla, Meride D.	Director/Vice Chairman	62	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	72	Filipino	ENT-HNS Specialists	Asian Hospital Medical Center
11. Ong, Mary Flor G	Director/ Treasurer	52	Filipino	Internal Medicine- Endocrinology, Diabetes and Metabolism	Iloilo Mission Hospital, Iloilo City  Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
12. Regozo, Danilo C.	Director/ Executive Vice President	62	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	60	Filipino	Obstetrics and Gynecology	Clinic Room 103 Healthlink, Mabini Street, Asia Pacific Medical Center- Iloilo, Inc. Iloilo City

14. Suplico, Rolex T.	Director	66	Filipino	Lawyer/ Businessman	Suplico and Austria Law Office
15. Villaflor, R Jean M.	Director/ Medical Director	60	Filipino	Internist/ Nephrologist	M3 Dialysis Center Iloilo, 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.

All the above were elected as Board of Directors and Officers of the Corporation for the year 2024 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 11 June 2024.

During the Organizational Meeting on the same day, the newly elected Directors approved the retention of the 2023 Set of Officers. 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 2025.

Name	Position	Age	Citizenship	Occupation	Business
1. Delos Reyes, Giovanni A.	Director For Admin and Support Services	71	Filipino	Practicing General Surgeon	Health Partners Condo Clinic, Brgy. San Rafael Mandurraio, Iloilo
2. Fernandez, Toni Dinah Cheer D.	Investor Relations	56	Filipino	Businesswoman	Daily Guardian Mandurraio Iloilo
3. Cortes, Cris T.	Chief Finance Officer	37	Filipino	Accountant	None
4. Villanueva, Maylene B.	Compliance Officer	44	Filipino	Corporate Lawyer	Villanueva Balio and Ariston Law Offices
5. Gerafil, Therese Marie A.	Corporate Secretary/Legal Officer/Data Privacy Officer	29	Filipino	Lawyer	None

### **INDEPENDENT DIRECTORS**

The independent directors of the Company as of 30 April 2025 are Jerusha A. Comuelo, Ma. Teresa Debuque and Johanna Marie B. Belgira.

### **SIGNIFICANT EMPLOYEES**

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

### **FAMILY RELATIONSHIPS**

The husband of Director Lusyl Gomez, a Director and Assistant Corporate Secretary, is the first cousin of the BOD Member and Medical Director Agnes Villaflor.

## **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

### **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 which was previously scheduled on 13 April 2023 was cancelled and moved to 02 June 2023 at 10:45 am.

During the 13 August 2024 hearing, the Court informed the Parties that it needed time to evaluate the Motion for Partial Summary Judgement filed by complainants and reset the pre-trial conference on 16 October 2024 at 8:30 in the morning without prejudice to the resolution of the motion.

During the 16 October 2024 hearing, the Court informed the parties that it needs more time to resolve plaintiff's Motion for Partial Summary Judgement. The pre-trial conference was set on 05 February 2025 at 9:15 in the morning. On 05 February 2025, the Court set the pre-trial conference on 21 March 2025 at 9:15 in the morning without prejudice to the resolution of the Motion for Partial Summary Judgement.

On 21 March 2025, the pre-trial conference was reset on 23 May 2025 at 10:45 in the morning considering that plaintiffs' motion for partial summary judgment is still to be resolved by the court.

On 23 May 2025, an Order was issued by the Regional Trial Court Branch XI of Cebu City resetting the pre-trial conference to 25 July 2025 at 10:00 in the morning, considering that there is still a pending motion for partial summary judgment.

### **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 to 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 has 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 09 August 2022 a partial summary judgement on plaintiff's prayer for issuance of certificates of stock leaving the other issues sought for trial on the merits. However, instead of presenting his evidence, plaintiff filed a motion to submit the case for decision based on legal issues through the filing of memorandum which is still pending resolution.

The Plaintiff submitted a motion to submit the case for decision based on legal issues, which was filed with the Court on October 24, 2022. The Defendant filed a comment on November 7, 2022. An order dated June 30, 2023, was received, in which the Court granted the Plaintiff's motion to submit the case for decision based on legal issues dated October 18, 2022. The Presiding Judge allowed both parties to file their respective memoranda, limited to the issue of the extent of the Plaintiff's preemptive right to purchase or subscribe to shares of stock in view of the Defendant Corporation's increase in capital stock, within 30 days from receipt of the said order.

The Defendant's counsel subsequently filed a Motion for Reconsideration seeking to set aside and deny the Plaintiff's motion to submit the case for decision based solely on the issue of whether the Plaintiff is entitled to the preemptive right to subscribe to one block of shares equivalent to 10 shares or only 3 shares, citing utter lack of merit. The Plaintiff's counsel filed an opposition to the Motion for Reconsideration.

The Defendant's Motion for Reconsideration of the Order dated June 30, 2023, which granted the Plaintiff's motion to submit the case for decision based on legal issues, remains pending resolution by the Court. As a matter of procedure, should the Court grant the Motion for Reconsideration, the case will proceed to pre-trial and trial. Otherwise, both parties will be directed to submit their respective memoranda in support of their respective claims and defenses, after which the case shall be deemed submitted for decision.

As of 30 April 2025, 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.

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

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

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.

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

The Company is taking further steps to strengthen adherence principles and practices of corporate governance by sending its Directors in various trainings and programs conducted by the Institute of Directors and Center for Global Best Practices. The Committee on Corporate Governance is also set to review its Revised Manual on Corporate Governance to ensure compliance with recent regulations and harmonize it with operational requirements.

**The 2024 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 2024 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**