ASIA PACIFIC MEDICAL CENTER (APMC)-AKLAN INC.
(Formerly: Allied Care Experts (ACE) Medical Center-Aklan Inc.)

COVER SHEET

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S.E.C. Registration Number

ASIA PACIFIC MEDICAL CENTER
(APMC) - AKLAN INC.

(Company's Full Name)

JUDGE MARTELINO ROAD ANDAGAO
KALIBO AKLAN

(Business Address: No. Street City / Town / Province

DR. MARSHA LOURDES P. CONANAN-MORATO
Contact Person

(036) 268-2320
Company Telephone Number

12 31 (Month Day)
Fiscal Year

17 - A 2023
FORM TYPE

04 03 (Month Day)
Annual Meeting

Secondary License Tyoe, if Applicable

MSRD
Dept. Requiring this Doc

N/A
Amended Articles Number/Section

Total No. of Stockholders

X
Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

ASIA PACIFIC MEDICAL CENTER (APMC)-AKLAN INC.
(Formerly: Allied Care Experts (ACE) Medical Center-Aklan Inc.)

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SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-A

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

1. For the fiscal year ended 31 December 2023

2. SEC Identification Number CS 201739437

3. BIR Tax Identification No. 009-900-845-000

4. ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC. (Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc. Exact name of issuer as specified in its charter

5. Aklan, Philippines 6. Industry Classification Code: (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization

7. Judge Martelino Road, Barangay Andagao, Kalibo, Aklan 5600
Address of principal office Postal Code

8. +63 917-8146042 /+63 919-0963082
Issuer's telephone number, including area code

9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Founders' share	600
Common share	214,460

The total outstanding debt of the company as of December 31, 2023 is P 1,721,721,795

12. Check whether the issuer:

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

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days. Yes [/]   No [ ]

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

600 Founder Shares sold at Php 1,000.00 per share	Php	600,000.00
203,400 Common Shares sold ar Php 1,000.00 per share	Php	203,400,000.00
11,060 shares at PhP 250,000.00 per block	PhP	276,500,000.00

TOTAL AGGREGATE MARKET VALUE Php480,500,000.00

1 block is equivalent to Ten (10) shares

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS

DURING THE PRECEDING FIVE YEARS:

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

Yes [ ]   No [ ]   [/] NOT APPLICABLE

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Audited Financial Statements as of and for the year ended December 31, 2023 (incorporated as reference for items 7 and 12 of SEC Form 17-A)

ASIA PACIFIC MEDICAL CENTER (APMC)-AKLAN INC.
(Formerly: Allied Care Experts (ACE) Medical Center-Aklan Inc.)

ITEM I – BUSINESS AND GENERAL INFORMATION

BUSINESS DEVELOPMENT

The issuer is ASIA PACIFIC MEDICAL CENTER- AKLAN INC., also known as APMC-AI or "The Company". It was duly organized and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 2017 under SEC Registration No. CS 201739437.

APMC-AI has an authorized capital stock of Two Hundred Forty Million Pesos (240,000,000.00) divided into Six Hundred (600) Founders' Shares and Two Hundred Thirty- Nine Thousand Four Hundred (239,400) Common Shares both with a par value of One Thousand Pesos (Php1,000.00) per share.

APMC-Aklan's primary purpose is to establish, maintain, operate, own and manage, hospitals, medical and related healthcare facilities and business 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 and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The construction of Asia Pacific Medical Center-Aklan commenced on November 2021. The initial capital was infused by the founders. To ensure the completion of the project, the company obtained a loan facility from the Development Bank of the Philippines. The Company also applied for a secondary license for the issuance of securities through an initial public offering. On 29 June 2021, SEC issued its Permit to Offer Securities thru MSRD Order No. 36 Series of 2021 as additional source of fund. On 23 October 2023, the Board of Investments issued a Certificate of Registration in favor of the Company as a Domestic Enterprise engaged in Private General Hospital Activities.

As of December 31, 2023, the total percentage of completion of the construction of the hospital being constructed by APMC-Aklan is at 94.19% with accomplishments at 100% for Structural Works, 81.36% for Architectural Works and Interior Fit out, 90.67% for Plumbing Works, 89.87% for Fire Protection Works, 92.03% for Electrical Works, 99% for Electronics and Auxiliary Works, 86.28% for Electronics Works Devices, 97.72% for Mechanical Works, Perimeter Fence and Road Networks at 100%, 100% for Site Development Auxiliary Structures, 70.13% for Medical Gases, 97.06% for Elevator and Escalator and 90% for Owner Supplied Material delivered and installed. The remaining works are expected to be completed in June 2024.

Asia Pacific Medical Center – Aklan Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Aklan Inc.) is a 7 – storey 100 – bed capacity hospital with helipad and perimeter and basement parking that can accommodate 96 cars, 5 ambulance, 30 motorcycles with total floor area of 33,522.36 sq. meters constructed in a 9,656 sq.m. property located at Judge Martelino Road, Andagao, Kalibo, Aklan. 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 Kalibo, nearby Barangays and Municipalities, the whole of Aklan and the neighboring provinces which are considered its catchment areas.

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.

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.

APMCAI 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 Asia Pacific Medical Center – Aklan Inc., 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 Founders 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 maybe imposed by Asia Pacific Medical Center – Aklan Inc. 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.

Asia Pacific Medical Center – Aklan Inc. 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. APMC-AI will be a multidisciplinary specialty medical facility that will house medical specialists who are subscribers to the capital stock of the Corporation.

BUSINESS OF THE ISSUER

Level 2 Hospital

On December 1, 2023, the Company was issued a License to Operate as a Level 2 Hospital with an authorized bed capacity of One Hundred (100) beds. . 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 l capacity[1], 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 Intensive Care Units-- Medical ICU, Surgical ICU and Coronary Care Unit for critically ill patients.
4. Provision for PICU (Pediatric Intensive Care Unit) and NICU (Neonatal Intensive Care Unit)
5. Provision for HRPU (High Risk Pregnancy Unit)
6. Provision for respiratory therapy services;
7. A DOH licensed tertiary clinical laboratory;
8. A DOH licensed level 2 imaging facility with mobile x-ray inside the institution and with capability for contrast examinations.

On 8 December 2023, the Company commenced its operations. Under the abovementioned LTO, the Company operates the followings units:

1. Physical Medicine and Rehabilitation Unit
2. Hemodialysis Clinic with thirteen (13) stations
3. Ambulatory Surgical Clinic (Colorectal Surgery, General Surgery, Ophtalmologic Surgery, Orthopedic Surgery, Otorhinolaryngologic Surgery)Satellite Pharmacy
4. Pediatric Surgery
5. Plastic and Reconstructive Surgery
6. Reproductive Health Surgery
7. Thoracic Surgery
8. Urologic Surgery

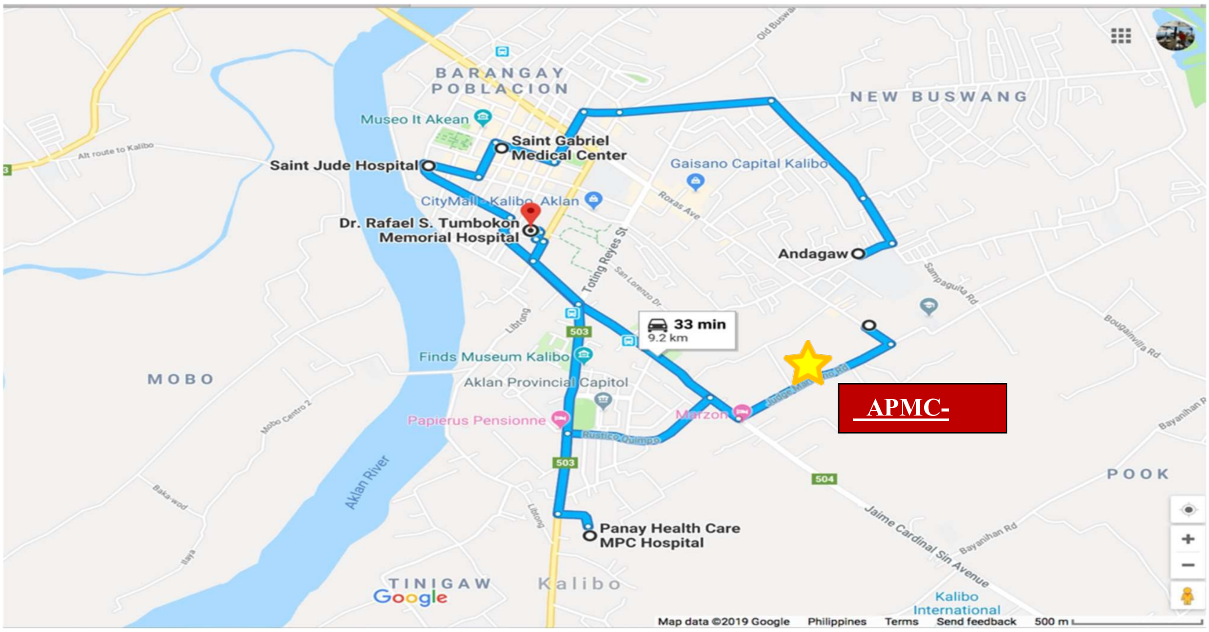
The Company plans to apply for an LTO for an increase in bed capacity in 2024.

COMPETITION

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

Name of Hospital	Address	Bed Capacity	Category	Level of classification
Saint Gabriel Medical Center	GM Reyes Street, Kalibo, Aklan	120	Private	2
Saint Jude Hospital	F. Quimpo Street, Kalibo, Aklan	25	Private	1
Aklan Cooperative Mission Hospital	Andagao, Kalibo Aklan	50	Private	1
Panay Health Care MPC Hospital	Estancia, Kalibo, Aklan	100	Private	2
Dr. Rafael S. Tumbokon Memorial Hospital	Mabini Street, Kalibo, Aklan	300	Public	2

[1] *A Level I hospital shall have as minimum the services stipulated under Rule V. B. 1. b. 1. of the Order, including, but not limited to, the following: 1. A staff of qualified medical, allied medical and administrative personnel headed by a physician duly licensed by PRC; 2. Bed space for its authorized bed capacity in accordance with DOH Guidelines in the Planning and Design of Hospitals; 3. An operating room with standard equipment and provision for sterilization of equipment and supplies in accordance with: a. DOH Reference Plan in the Planning and Design of an Operating Room/Theater (Annex A); b. DOH Guidelines on Cleaning, Disinfection and Sterilization of Reusable Medical Devices in Hospital Facilities in the Philippines (Annex B); 4. A post-operative recovery room; 5. Maternity facilities, consisting of ward(s), room(s),a delivery room, exclusively for maternity patients and newborns; 6. Isolation facilities with proper procedures for the care and control of infectious and communicable diseases as well as for the prevention of cross infections; 7. A separate dental section/clinic; 8. Provision for blood station;9. A DOH licensed secondary clinical laboratory with the services of a consulting pathologist;10. A DOH licensed level 1 imaging facility with the services of a consulting radiologist; 11.A DOH licensed pharmacy.*



The strategic[2] location of Asia Pacific Medical Center-Aklan Inc. primarily influences the decision of the medical specialists to subscribe to the shares of stock in Asia Pacific Medical Center –Aklan Inc. Once the Doctor decides where to practice, price and quality of facility management come as the next factors. Good location, proximity to patients, reasonableness of the offer price and quality of the facilities enable Asia Pacific Medical Center-Aklan Inc. to effectively compete with its competitors within the area.

APMC-AI is primarily owned and managed by doctor specialists who have established medical practice in the locality. This unique set up is a strong strategic factor of the hospital since each doctor-owner has established patient following in their respective fields. Furthermore, the roster of local medical practitioners who have signified their commitment to the hospital is very significant.

The hospital also 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 will also make sure that by following the policies of the Credentialing and Privileging Committee, the medical staff of APMC-Aklan Inc. are clinically competent and certified specialists.

Aside from these, patients will find a better ambiance with Asia Pacific Medical Center-Aklan Inc. due to its carefully planned, designed, constructed hospital building. Its advantage is not

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[2] *Strategic Location - where population demographics are high because it is near or within the business district, close proximity to transportation terminals, church and gas stations. The area is very convenient for patients and their relatives in terms of the proximity of health service with other services within the locality. With this, patients prefer to be admitted in APMC-AI. Being in the right location is a key ingredient in the success of a business. Photo credits to google maps*

simply its newly built structure, but it also boasts of new facilities and equipment, plus the competency of its Medical Specialists.

APMCAI 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 Renal and Urology Center, High Risk Pregnancy and Infertility Unit, Endoscopy Center, Oncology and Transfusion Unit , Eye Center, Neuro Laboratory, Human Milk Bank and Lactation Center.
Other Specializedservices such as the following will also be provided in the next few years:

- Cardiac Catheter Laboratory – available in 2024
- Sleep Center
- Research Center
- Metabolic and Aesthetic Center

Asia Pacific Medical Center-Aklan Inc. is a one-stop-shop with its latest technology, complete laboratory and imaging facilities such as:

- MRI
- CT Scan
- Mammogram
- Echocardiography
- Bone Densitometry

Within a few months from the commencement 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 APMCBI sources its supplies depending on its needs.

EMPLOYEES

The Hospital is staffed with medical specialists who provide the normal work schedule and attract other specialists to practice in the Hospital. Below is the breakdown of the current manpower of APMC-AI.

Type of Employees	Number of Current	Number of Expected Employees	Total
Executive Officers	12	-	12
Medical Support Staff	311	39	350
Administrative Staff	168	8	176

Engineering and Maintenance	12	2	14
Outsourced		9	9
TOTAL	503	58	561

There is expected increase of 58 within the 12 months since the hospital already started its operation on December 8, 2023.

There is no existing labor organization or union among the employees of APMCAI. APMCAI employees have likewise not gone on strike or other concerted union action.

APMCAI adopts a performance-based compensation scheme for its employees.

MEDICAL SPECIALISTS

Medical Specialists are Doctors who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of Asia Pacific Medical Center- Aklan Inc.

The admission to the Medical Staff roster of APMC-Aklan Inc. will be under the jurisdiction of the Credentialing and Privileging Committee.

The Credentialing and Privileging Committee requires that the medical specialists of APMC- Aklan Inc. have updated professional licenses as practicing physicians from the Professional Regulation Commission (PRC) and Philippine Health Insurance Corporation (PHIC)

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

Medical specialists may have the option to apply for a Privilege to Practice and enjoy a clinic space and time at APMC- Aklan Inc., or practice as regular visiting medical staff. Policies and procedures for acceptance to the medical Staff is stated in the Manual of Policies and Procedures of the Credentialing and Privileging. Review of the medical staff credentials is annually, and privileges review is every two years.

Currently, Asia Pacific Medical Center- Aklan Inc. has a total of 85 Medical Specialists that will practice within the hospital. Within the next 12 months, it is expected that the Hospital will accept at least 50 more Medical Specialists.

ASIA PACIFIC MEDICAL CENTER (APMC)-AKLAN INC.
(Formerly: Allied Care Experts (ACE) Medical Center-Aklan Inc.)

NO.	MEDICAL SPECIALIST	SPECIALIZATION
1	ADELANTE, HANNAH LUVI	PEDIATRICS
2	ABAYON, ROMEO ABAYON	GENERAL SURGERY
3	ABRIL, JOANNE BAUTISTA	INTERNAL MEDICINE- INFECTIOUS DISEASE SPECIALIST
4	AGURO, MARVIE DIAZ	NEUROSURGERY CONSULTANT
5	ALBITO, GODY MAGNOLIA	OBSTETRICS-GYNECOLOGY
6	ALFARO, MA. ESTER LAGON	PEDIATRICS
7	ALO, ZAIDA	INTERNAL MEDICINE/DIABETOLOGIST
8	ALOJEPAN, JAKE	GENERAL SURGERY
9	ARCE, MARIBEL JARDIOLIN	PEDIATRICS
10	ARCE, SIMEON JR. ACEVEDO	INTERNAL MEDICINE
11	ARDEÑA, GREGORY JOSEPH RYAN ALVIOR	INTERNAL MEDICINE- ENDOCRINE, DIABETES & METABOLISM
12	ARMIZA, CHERYL	INTERNAL MEDICINE
13	BALBASTRO, RAMEL RAMON MAAGMA	INTERNAL MEDICINE - GASTROENTEROLOGY
14	BARRAMEDA, ROMULO SILVA	GENERAL SURGERY- TRANSPLANT SURGERY
15	BASSIG, MARION	ENT
16	BELUSO, MICHAEL VIC	INTERNAL MEDICINE
17	BERNADAS, IROS JAN	MEDICAL SPECIALIST-ANATOMIC & CLINICAL PATHOLOGY
18	BIEREN, MARIANETTE NOELLE	PATHOLOGY AND CLINICAL LABORATORY
19	BRIONES, JEE STAR	OBSTETRICS-GYNECOLOGY
20	BUENAFLOR, PATRICK DEXTER MONROY	INTERNAL MEDICINE- PULMONOLOGY
21	BUENAFLOR, REGINA RUIZ	OBSTETRICS-GYNECOLOGY
22	CARPIO, REINA	PEDIATRICS
23	CASIMERO, KATHERINE	PEDIATRICS

24	COMUELO, JERUSHA ABDALLAH	PEDIATRICS- NEUROLOGY
25	CONANAN-MORATO,MARSHA LOURDES PEREZ	ANESTHESIOLOGY
276	DAULO-LAVILLA, MERIDE	PEDIATRICS
27	DE JOSE, JOHNNA GALLARDEZ	INTERNAL MEDICINE
28	DE LA CRUZ, ALISTAIR KASHMIR	INTERNAL MEDICINE/ENDOCRINOLOGIST
29	DEBUQUE, EILEEN MAY BALBASTRO	INTERNAL MEDICINE
30	DIGNADICE, MARYMIL BILLONES	INTERNAL MEDICINE- NEPHROLOGY
31	DISTOR, CHERRY ANN	PEDIATRICS
32	ESCANILLAS, ROEL ALMENDRALEJO	ORTHOPEDICS
33	ESTANISLAO, FLAVIAN JAMES	ANESTHESIOLOGY
34	FERNANDEZ, EDMUNDO JR. BETITA	UROLOGY
35	FRANCISCO, JACKIE LYN	CARDIOLOGY/INTERNAL MEDICINE
36	FRANCISCO, NIKKI JAMES CALLEJO	PEDIATRICS
37	ICAMINA, MARY KAREN VERONICA ROLDAN	OBSTETRICS & GYNECOLOGY- REPRODUCTIVE ENDOCRINOLOGY & INFERTILITY
38	IGNACIO, MAY URBANOZO	INTERNAL MEDICINE- NEUROLOGY
39	IGOY, JEANNE MICHELLE	PEDIATRICS
40	ILIO, DONNA MAE	CARDIOLOGY/INTERNAL MEDICINE
41	INOCENCIO, JASON PAOLO	OPTHALMOLOGIST
42	INOCENCIO, ME-AN ARVI	LAPAROSCOPIC SURGEON
43	ISIDRO, JESSORE IBABAO	INTERNAL MEDICINE- INTERVENTIONAL CARDIOLOGY
44	LAVALLE, AMADO JR. MACEDA	GENERAL SURGERY
45	LODRONIO, RICO	RADIOLOGIST
46	LOS BAÑOS, FLORENCE	RADIOLOGIST
47	LUCITO, STACY	RADIOLOGIST

48	LUNA, CHRISTIAN AUDRIC	OPTHALMOLOGIST
49	LUNA, ROMEO JR.	OPTHALMOLOGIST
50	MAGALLANES, JOSEFA ROBERTA ACEVEDO	ANESTHESIOLOGY
51	MAGBANUA, MARY ANTOINETTE	RADIOLOGIST/SONOLOGIST
52	MAGLANTAY, JEFFREY	GENERAL SURGERY
53	MARTINEZ, GLENMAR	PEDIATRICS
54	MINERVA, IKE TAYO	INTERNAL MEDICINE- GASTROENTEROLOGY
55	NAVARRO, HARRIET REUNIR	DENTISTRY
56	OPAY, NOEL GEORGE	RADIOLOGY
57	ORTEGA, JEANETTE	PSYCHOLOGIST
58	ORTEGA, JEANETTE FELIPE	PSYCHIATRY
59	ORTEGA, MARY JEAN	PEDIATRICS
60	PALEC, JAY-AR BALAGOSA	INTERNAL MEDICINE- ONCOLOGY
61	PALEC, JESILYN	INTERNAL MEDICINE
62	PALMA, ESTER FERNANDEZ	OBSTETRICS-GYNECOLOGY
63	PEREZ, CLAIRE BOLIVAR	INTERNAL MEDICINE- CARDIOLOGY
64	PONSARAN, JOE VICENTE	ENT-HNS
65	QUIMPO, HIYAS CARTER	OBSTETRICS/GYNECOLOGY
66	QUIMPO, NIÑO RAFAEL	ANESTHESIOLOGY
67	QUIMPO, RAYMUNDO ROLDAN	ORTHOPEDICS
68	QUINDOR, DARCY ADVINCULA	ENT- HEAD & NECK SURGERY
69	QUINTANA-BARTOLOME, DELPHINE JOANNE CARLOS	OBSTETRICS-GYNECOLOGY
70	RABE, ETHEL	OPHTHALMOLOGIST
71	REBUELTA-SIRA, ANNE PAULYN	PEDIATRICS
72	REFRE, GLENFORD	INTERNAL MEDICINE

73	RESPICIO, VEZ	INTERNAL MEDICINE
74	SALAZAR, TERRENCE	RADIOLOGIST
75	SARABIA, JANET	SURGEON
76	SARABIA, JOSEPH JENUS	GENERAL SURGEON
77	TADIFA, EMMANUEL	OB-GYN
78	TEMPLONUEVO-FLORES CHARMAINE	PATHOLOGY AND CLINICAL LABORATORY
79	TOLENTINO, ALAN	NEPHROLOGIST
80	TORRES-REY NIMBELLA	ANESTHESIOLOGY
81	VALENCIA, RODNEY	INTERNAL MEDICINE
82	VELASCO, GENEVIEVE	OB-GYN
83	VELASCO, MERLIN	ANESTHESIOLOGY
84	VICENTE, JOSE ANGELO	RADIOLOGIST
85	VILLAREAL, VAL MICHAEL	SURGEON

TRADEMARKS

In 2020, the company's corporate name was changed from Allied Care Experts (ACE) Medical Center-Aklan Inc. to Asia Pacific Medical Center-Aklan Inc. with the approval by majority and two-thirds (2/3) votes of the directors and stockholders respectively. The amendment of the corporate name was precipitated by the change in its strategic direction along with two other partner hospitals, Asia Pacific Medical Center-Aklan and Asia Pacific Medical Center-Iloilo to become an internationally recognized hospital as they plan to be accredited by the Joint Commission International which accreditation and certification is recognized as a global leader for quality of health care and patient safety. Subsequently, the company together with the abovementioned partner hospitals filed an application for registration of the trademark for the APMC logo before the Intellectual Property Office which was granted on 13 April 2021 . The trademark aims to establish the brand Asia Pacific Medical Center as a leader in the healthcare industry. It filed a Declaration of Actual Use on 29 December 2022.

GOVERNMENT APPROVAL

Asia Pacific Medical Center - Aklan Inc. has obtained the necessary government permits and certification to construct and operate the Hospital. The Company has complied with all annual renewals of other permits and licenses as of 31 December 2023.

EXISTING OR PROBABLE GOVERNMENT REGULATIONS ON THE BUSINESS

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

The following are the laws, rules and regulations relevant to the Company that are noteworthy:

CREATE ACT

Under Title XIII of RA 11534 otherwise known as the Corporate Income Tax and Incentive System, the Fiscal Incentives Review Board, or the Investment Promotion Agencies, under a delegated authority from the Fiscal Incentives Review Board shall grant the appropriate tax incentives to registered business enterprises to the extent of their approved registered project or activity under the Strategic Investment Priority Plan. Among the listed activities in the 2020 Investment Priority Plan is the Health and Disaster Risk Reduction Management Services which cover the establishment and operation of general and specialty hospitals, and other medical and healthcare facilities including drug rehabilitation, quarantine and evacuation centers. As APMC Aklan is a general Level 2 hospital in Kalibo, Aklan, it is qualified to avail of the tax incentives and enhanced deductions once registered. As mentioned above, it was granted a Certificate of Registration by the Philippine Board of Investments on 23 October 2023 as a Domestic Market Enterprise engaged in Private General Hospital Activities.

THE OMNIBUS INVESTMENTS CODE OF 1987

By virtue of the registration of the Company with the Board of Investments, it is entitled to tax incentives subject to the terms and conditions of its registration including but not limited to submission of reports.

THE DATA PRIVACY ACT

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

From the time when the Company started to process personal data—whether coming from investors, suppliers, employees and patients, the Company appointed DR. MAY URBANOZO- IGNACIO as Data Protection Officer. The Company has already formulated its own Personal Data Privacy Policy thru Board Resolution No. 2022-05-22-124. The policy provides for organizational, physical and technical security measures geared towards data protection. Similarly, it recognizes the rights of the data subject to information, access and rectification of his/her personal information among others. It also prepares the Company for the necessary procedure to be undertaken in the event of data breaches or security incidents. The policy further requires that all outsourcing arrangements of the group involving personal data collection be compliant with the requirements of the law.

MAGNA CARTA FOR PERSONS WITH DISABILITY

The law provides persons with disability with at least twenty percent (20%) discount and exemption from the value added tax on the sale of certain goods such as drugs and medicines and foods for special medical purposes and services for their exclusive use and benefit including medical and dental services such as diagnostic and laboratory fees in government facilities or private hospitals and medical facilities.

Establishments are required to place signage in conspicuous places within their premises to inform persons with disabilities that they are entitled to the aforementioned discount and exemption.

THE UNIVERSAL HEALTH CARE ACT

The Universal Health Care Act requires all private hospitals to provide at least ten percent (10%) of their bed capacity as a service/ ward accommodation and regularly submit a report on the allotment or percentage of their bed capacity to ward accommodations to the Department of Health (the "DOH"). It also automatically enrolls Filipino citizens into the National Health Insurance Program and expanded PhilHealth coverage to include free medical consultations and laboratory tests to guarantee equitable access to quality and affordable health care services for all Filipinos

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

THE FOOD SAFETY ACT of 2013

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

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

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

Once the Hospital starts to operate, this law will regulate the operation of the commissary of the Hospital.

ANTI HOSPITAL DEPOSIT LAW

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

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

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

THE FOODS, DRUGS AND DEVICES, AND COSMETICS ACT

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

This act will regulate the operation of the hospital pharmacy.

RA 9439

The purpose of the enactment of RA 9439 to law is to prohibit the detention of patients and medical clinics on grounds of nonpayment of hospitals bills or medical expenses.

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

COVID 19 LAWS AND OTHER POLICIES

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

DEPARTMENT CIRCULAR NO. 2022-0108

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

ENVIRONMENT-RELATED LAWS

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

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

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

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

TAXATION

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

SENIOR CITIZENS ACT

Under Republic Act No. 7432, otherwise known as the "Senior Citizens Act", senior citizens are granted a 20% discount on goods and services, including medical and dental services in private facilities as well as diagnostic laboratory fees (X-rays, computerized topography scans and blood tests) and professional fees of attending doctors in all private hospitals and medical facilities. The law applies also to purchases from drug stores, hospital pharmacies and similar establishments dispensing medicines. The law will allow the deduction of the Senior Citizen discount to be extended by APMCBI from gross revenues during the same taxable year. In 2010, RA No. 7432 was further amended by RA. No. 9994, or the "Expanded Senior Citizens Act" which granted senior citizens additional privileges, such as exemption from the 12% expanded value-added tax (EVAT). The EVAT exemption for senior citizen applies to, among others, purchases of medicines and essential medical supplies. RA No. 9994 provides for the sharing of the burden between the Hospital and the manufacturer/distributor/supplier which will

MAXIMUM RETAIL PRICES FOR DRUGS AND MEDICINES

On July 27, 2009, Executive Order No. 821 was signed, prescribing the maximum retail prices for selected drugs and medicines. The EO took effect on 15 August 2009. The implementation of the said EO will have the effect of reducing the Hospital's revenues. However, with cost reduction strategies, APMCBI is expected to maintain its margins.

In February 2020, EO No. 104 or Improving Access to Healthcare Through the Regulation of Prices in the Retail of Drugs and Medicines was signed. The EO regulates the prices, through a maximum retail price (MRP), a maximum wholesale price, (MWP) or both of at least 86 drugs molecules or 133 drug formulas selected based on a set of criteria.

In April 2021, the Department of Health issued the "Updated Suggested Retail Price (SRPs) for Essential Emergency Medicines and Medical Devices due to the Corona Virus disease 2019 (COVID-19) Health Event".

EXPANDED MATERNITY ACT

In May 2019, the Implementing Rules and Regulations (IRR) for RA 11210 or the Expanded Maternity Leave Law was enacted. Under the law, both government and private employers

are required to give female workers 105 days paid maternity leave with an option to extend for an additional 30 days without pay. It applies to every instance of pregnancy, and employers are required to grant it regardless of the mode of delivery, civil status, legitimacy of the child and employment status. However, for cases of miscarriage or emergency termination of pregnancy, 60 days maternity leave with full pay shall be granted.

NATIONAL INTEGRATED CANCER CONTROL LAW

In August 2019, the IRR for RA No. 11215 or National Integrated Cancer Control Law was signed by the Department of Health. The IRR provides for the mechanisms by which cancer prevention, screening, diagnosis, treatment and care can be more equitable, affordable and accessible for all, especially the underprivileged, poor and marginalized Filipino.

COST AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The Company incurred around Sixteen Thousand Five Hundred Seventy Pesos (PHP 16,570.00) in expenses for environmental compliance for the since 2019 until 2022. On an annual basis, operating expenses incurred by the Company to comply with environment laws are not significant or material relative to the Company and its total cost and revenues.

MAJOR RISKS

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

1. **OPERATIONAL RISKS**

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

To address the risk, the Company engaged consultants that could assist in establishing an internal process that would ensure efficient delivery of service.

2. CLINICAL PATIENT SAFETY

It is the risk associated with the delivery of care to residents, patients, and other healthcare customers. Included under this clinical risks are the following: failure to follow evidence-based practice, medication errors, hospital-acquired conditions (HAC), serious safety events and others. Addressing such risk entails the Company to follow the standards set by the Joint Commission International (JCI) for patient safety and eventually apply for accreditation with JCI. A Policy on Incident Reporting and Sentinel Event Reporting has been formulated by APMCAI to ensure appropriate and timely reporting of these occurrences.

The Policy will state the action plan and the responsibilities of all concerned personnel and the activities involved in incident and sentinel event reporting.

The Policy will outline the manner of reporting, the timeliness of reporting and the specific persons to whom the report should be made.

3. STRATEGIC RISKS

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

Managing such risks, the Corporation through the Board of Directors shall engage the service of a Risk Manager as soon as practicable.

4. FINANCIAL RISKS

This domain is mainly comprised by decisions affecting the financial sustainability of the organization, access to capital or the timing and recognition of revenue and expenses. The following are the risk included: cost associated with malpractice, litigation, and insurance, capital structure, credit and interest rate fluctuations, foreign exchange, growth in programs and facilities, capital equipment, corporate compliance (fraud and abuse), accounts receivable, days of cash on hand, capitation contracts, billing and collection.

The Company had secured a Bank Loan to sustain its pre-operation expenses.

5. **HUMAN CAPITAL RISKS**

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

The Company aims to attract health workers to employ in the hospital by enticing and providing them with Non-monetary Stock Benefit to its employees.

6. **LEGAL/REGULATORY RISKS**

The risks within this domain incorporates the failure to identify, manage and monitor legal, regulatory, and statutory mandates.

These risks will be addressed with the Company having and maintaining strong Compliance System.

7. **TECHNOLOGY RISKS**

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

The Company intends to engage suppliers that would provide the highly advanced medical equipment and hospital information system to the company.

ITEM 2 - PROPERTIES

Asia Pacific Medical Center – Aklan Inc. hospital is fully operational providing comprehensive healthcare services to the community of Kalibo, Aklan and surrounding areas. Situated at its established location on Judge Martelino Road in Barangay Andagao, Kalibo, the hospital occupies a prime property spanning 9,656 square meters. Its impressive infrastructure includes a 7-storey building equipped with modern facilities, boasting a total floor area of 33,522.36 square meters. It will also serve as a Referral Center for Asia Pacific Medical Center (APMC) institutions in other parts of the country which APMC-Aklan Inc. has entered into a Memorandum of Agreement.

The property is covered by Transfer Certificate of Title Nos. 087-2018001229 and 087- 2018001230 and Tax Declaration Nos. 17-01-002-07280 and 17-01-002-07281 registered in the name of Asia Pacific Medical Center (APMC) - Aklan Inc. The said property was used as collateral for a Real Estate Mortgage with the Development Bank of the Philippines. The first tranche of the said loan amounting to Php 195,000,000.00 was released on November 2021, followed by the second tranche of the said loan amounting to Php 390,000,000.00 released on June 21, 2022. Another loan was granted in November of 2023 amounting to P 696,400,696.

The land described above is recorded in the books of the company at Ninety-Four Million Ninety-Six Thousand Four Hundred Eighty-Five Pesos (P 94,096,485.00). Aside from land, the other properties acquired and owned by the company are as follows:

Since 2019 until December 31, 2023, the corporation has acquired office and medical equipment composed of desktop and laptop computers, printers, steel cabinets, office furniture, machineries, kitchen, computerization and transportation equipment amounting to Php 418,583,638.00 net of depreciation.

As of December 31, 2023, APMC Aklan has paid as partial payment a total of Php Sixty Seven Million Five Hundred Forty Six Thousand Three Hundred Twenty (PhP 67,546,320.00) for medical and other equipment which was categorized under advances to suppliers in the balance sheet. These are generator sets, elevators, escalators, plumbing fixtures, wood and metal doors, electrical equipment and medical equipment.

1. Medtronic Midas Rex and Electric Drill
2. Macribial ID System (BacT/ALERT)
3. Automated ID/AST (VITEK 2 cOMPACT 15)
4. Electrical Equipment
5. Point of Sale (POS)
6. Digital Mobile X-Ray Machine

Funds for the purchase of these equipment were taken from the loan to be granted by Development Bank of the Philippines and from the sale of securities. As of December 31, 2023, the total properties and Equipment owned by the company reflected a balance of One Billion Six Hundred Five Million, Five Hundred Fourteen Thousand One Hundred Forty Two (1,605,514,142.00) net of depreciation and broken down as follows:

Land	-	94,096,485
Construction in Progress	-	1,092,834,019
Office Equipment, Furniture and Fixtures	-	59,421,372
Machineries, Tools and Equipment Transportation Equipment Computerization Cost	-	351,605,258 4,437,536 3,119,472

SUPPLIERS AND MAJOR CONTRACTORS

The main contractor of the hospital is TRASS Construction Co. Inc. which is based in Cebu City. Some of the major suppliers for this project are as follows: Interior Designer Ms. Kathleen Fritzie D. Grey, Synchronized Solutions for Electronics and Auxiliary Works, JRDM Builders Corp. for Mechanical Works, RMT for Electrical Works and 24 Inch Gauge Construction Inc. for Plumbing and Fire Protection Works.

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 the Company 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.

1. Allmed Instruments Medical System, Inc.
2. Siemens Healthcare Inc,
3. MTC Opto Medic, Inc.
4. Endure Medical, Inc.
5. Fairbright Enterprises Inc.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

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

Advances from Shareholders

This account represents advances made by its shareholders in support of the Company's 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. Advances from shareholders amounted to P186,506,357 as of December 31, 2023.

The Company also entered into a Memorandum of Agreement for the granting of discounts to its stockholders with the following hospitals and vice versa:

1. Asia Pacific Medical Center- Bacolod, Inc.
2. Asia Pacific Medical Center – Iloilo Inc.

The agreement ensures that individual stockholders and their dependents hospitalization and out patient care at APMC Admitting Hospitals. Eligible Parties, including the principal shareholder, their family, and natural parents, can access at affiliated medical facilities. Furthermore, medical stockholders may collaborate in admitting and managing patients at APMC Admitting Hospitals, subject to credentialing policies.

LEGAL PROCEEDINGS OF COMPANY, ITS SUBSIDIARIES AND/OR AFFILIATES

Item 3. Legal Proceedings

APMC-AI is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the APMC-AI's financial performance.

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

(a) The 2023 Annual Stockholders' Meeting of the company held on August 31, 2023 at 9:00 AM via remote communication.

(b) In the Election of the 2023 Board of Directors, the following were elected:

NAMES	AGE	CITIZENSHIP
Dr. Joanne B. Abril	44	Filipino

Dr. Simeon A. Arce, Jr.	60	Filipino
Dr. Gregory Joseph Ryan A. Ardeña	47	Filipino
Dr. Delphine Joanne C. Quintana-Bartolome *	42	Filipino
Dr. Ferjenel G. Biron	59	Filipino
Dr. Regina R. Buenaflor	43	Filipino
Dr. Marsha Lourdes P. Conanan-Morato	41	Filipino
Dr. Eileen May B. Debuque	55	Filipino
Dr. NIkki James C. Francisco	39	Filipino
Dr. Mary Karen Veronica R. Icamina *	45	Filipino
Dr. Meride Daulo-Lavilla	60	Filipino
Dr. Claire B. Perez	52	Filipino
Dr. Raymundo R. Quimpo	49	Filipino
Dr. Darcy A. Quindor *	45	Filipino
Danilo C. Regozo	60	Filipino

** Independent Director*

All were re-elected as Directors and Independent Directors.

(c) The following matters also formed part of the Agenda and were submitted to the vote of the stockholders owning 93.32% present in absentia.

1. Approval of Minutes of the 2022 Annual Stockholders' Meeting

VOTE	Number of Votes (One Share-One vote)	Percentage of shares represented
FOR	200,700	93.32%
AGAINST	0	0%
ABSTAIN	0	0%

2. Presentation of the Chairman's Message and the Audio-Visual Presentation of the Hospital and the 2022 Audited Financial Statements

VOTE	Number of Votes (One Share-One vote)	Percentage of shares represented
FOR	200,700	93.32%
AGAINST	0	0%
ABSTAIN	0	0%

3. Approval of the Elected fifteen (15) Board of Directors for 2023-2024

VOTE	Number of Votes (One Share-One vote)	Percentage of shares represented
FOR	200,700	93.32%
AGAINST	0	0%
ABSTAIN	0	0%

4. Ratification and Acceptance of acts, resolutions, proceedings of the Board of Directors, Corporate Officers, and Management from 2022 to August 31, 2023

VOTE	Number of Votes (One Share-One vote)	Percentage of shares represented
FOR	200,700	93.32%
AGAINST	0	0%
ABSTAIN	0	0%

5. Approval of the appointment of Mendoza Querido & Co. as Company's External Auditor

VOTE	Number of Votes (One Share-One vote)	Percentage of shares represented
FOR	200,700	93.32%
AGAINST	0	0%
ABSTAIN	0	0%

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PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

A. Market Information

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.

Asia Pacific Medical Center- Aklan Inc. is offering 3,600 blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts. The shares are not listed in the exchange and offered over-the-counter.

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	Number of Blocks Of Common Share	Maximum Proposed Selling Price per block
1st	1,942 blocks	Php 250,000per block
2nd	1,200 blocks	Php 300,000 per block
3rd	400 blocks	Php 350,000 per block

The first 1,048 blocks had been sold at the price of Php 250,000.00 per block by the third quarter of 2021 until August of 2022. The 2nd and 3rd series will never be offered until the 1st series had 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 a salesperson as reflected in its Registration Statement. The percentage of public ownership of the Company as of December 31, 2023 is 5.15%.

The 3600 blocks that were offered to the public are sold primarily to Medical Specialists who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the credentials Committee and approved by the Board and Management of APMC- Aklan Inc. Other purchasers are non-medical specialists who are related to medical specialists and those who purchased the shares purely for investment purposes.

B. Holders

There are 39 holders of Founder shares and 1063 holders of common shares of the company as of 31 December 2023.

The following are the Top 20 shareholders of the Company:

No	Name	Class of Securities	Number of Shares Held	%
1	Biron, Ferjenel G.	Founder Common	110 33,890	15.81%
2	Buenaflor, Patrick Dexter M.	Founder Common	30 10,170	4.74%
3	Perez, Claire B.	Founder Common	30 10,170	4.74%
4	Alfaro, Ma. Ester L.	Founder Common	20 6,780	3.16%
5	Arce, Simeon Jr. A.	Founder Common	20 6,780	3.16%
6	Arce, Maribel J.	Founder Common	20 6,780	3.16%
7	Buenaflor, Regina R.	Founder Common	20 6,780	3.16%

8	Daulo-Lavilla, Meride	Founder Common	20 6,780	3.16%
9	Dignadice, Marymil B.	Founder Common	20 6,780	3.16%
10	Torres, Peter Myron Jun O.	Founder Common	20 6,780	3.16%
11	Abril, Joanne B.	Founder Common	10 3,390	1.58%
12	Ardeña, Gregory Joseph Ryan A.	Founder Common	10 3,390	1.58%
13	Quintana-Bartolome, Delphine Joanne C.	Founder Common	10 3,390	1.58%
14	Conanan-Morato, Marsha Lourdes P.	Founder Common	10 3,390	1.58%
15	Debuque, Eileen May B.	Founder Common	10 3,390	1.58%
16	Francisco, Nikki James C.	Founder Common	10 3,390	1.58%
17	Icamina, Mary Karen Veronica R.	Founder Common	10 3,390	1.58%
18	Quimpo, Raymundo R.	Founder Common	10 3,390	1.58%
19	Quindor, Darcy A.	Founder Common	10 3,390	1.58%
20	Regozo, Danilo C.	Founder Common	10 3,390	1.58%
	T O T A L		136,000	63.21%

C. Dividends

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

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

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

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

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

(1) Plan of Operation

The operation of the Hospital officially commenced last December 8, 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 employees, salaries, benefits and wages and other costs of operation.

The current financial position depends on the infusion of capital from the remaining shares from IPO and the loan facility granted by Development Bank of the Philippines. Due to the rising costs associated with running the operation ,the Company must maximize all means to market and sell offered shares to the public. Aside from the active selling of shares, the Company will use social media to encourage the public to invest in the hospital without prejudice to compliance with the provisions of the Securities and Regulation Commission regarding the marketing of the said shares.

At present the Company has five hundred three (503) employees and the Company have plans to hire additional 58 employees within the next 12 months.

2. Management's Discussion and Analysis

Results of Operations December 31, 2022 vs December 31, 2023

For the year ended								Vertical Analysis		
	31-Dec-23	31-Dec-22	31-Dec-21	Inc(Dec) 2023-2022	%	Inc(Dec) 2022-2021	%	2023	2022	2021
Revenue	9,623,184			9,623,184	100%	0		n/a	n/a	n/a
Discount and Free Services	(211,533)			(211,533)	100%					
Net Revenues	9,411,651			9,411,651	100%					
Cost of Services	(26,911,718)			(26,911,718)	100%			n/a	n/a	n/a
Loss	(17,500,067)			(17,500,067)	100%	0		n/a	n/a	n/a
General & Administrative Expenses	(119,818,535)	(17,507,127)	24,642,317	(102,311,408)	584%			n/a	n/a	n/a
Other Income	311,577	74,764	24,357	236,813	317%	50,407	207%	n/a	n/a	n/a
Loss	(137,007,025)	(17,432,363)	(24,617,960)	(119,574,662)	686%	7,185,597	-29%			
Finance Cost	(17,414,705)			(17,414,705)	100%	0		n/a	n/a	n/a
Loss Before Income Tax	(154,421,730)	(17,432,363)	(24,617,960)	(136,989,367)	786%	7,185,597	-29%	n/a	n/a	n/a
Provision for Income Tax					0%	0		n/a	n/a	n/a
Net Loss	(154,421,730)	(17,432,363)	(24,617,960)	(136,989,367)	786%	7,185,597	-29%	n/a	n/a	n/a

Revenue

The hospital commenced operations last December 8, 2023, and has since generated revenue totaling P 8,177,522 from both in-patient, out-patient services, leasing and canteen services, along with an additional P 1,445,662 from pharmacy sales.

General and Administrative Expenses

General and Administrative Expenses increased by 584% during the year. This is comparing the ending balances of 2023 and 2022. During the year, there is a significant increase in salaries and wages by 737% while SSS, Philhealth and HDMF Contribution which increases by 17,412%.

For the Year Ended							
	31-Dec-23	31-Dec-22	31-Dec-21	Inc./(Dec.) 2023-2022	%	Inc./(Dec.) 2022-2021	%
Salaries and Wages	78,096,823.00	9,329,976.00	6,970,050.00	68,766,847	737%	2,359,926.00	34%
Honorarium	1,461,000.00	3,444,200.00	4,800,000.00	(1,983,200)	-58%	(1,355,800.00)	-28%
Taxes and Licenses	10,346,173.00	3,077,629.00	10,131,599.00	7,268,544	236%	(7,053,970.00)	-70%
Professional Fees	1,213,582.00	557,650.00	1,511,184.00	655,932	118%	(953,534.00)	-63%
Depreciation	1,336,686.00	192,393.00	156,069.00	1,144,293	118%	36,324.00	23%
Rent	180,000.00	144,000.00	144,000.00	36,000	25%	-	0%
Meetings and Conferences	1,392,225.00	127,606.00	41,609.00	1,264,619	991%	85,997.00	207%
Office Supplies	43,704.00	119,946.00	111,977.00	(76,242)	-64%	7,969.00	7%
Outside Services	1,171,847.00	62,780.00	84,910.00	1,109,067	1767%	(22,130.00)	-26%
Utilities	8,428,131.00	59,828.00	48,755.00	8,368,303	13987%	11,073.00	23%
Advertising	637,850.00	55,930.00	46,980.00	581,920	1040%	8,950.00	19%
Subscription	317,022.00			317,022	n/a	-	
SSS/Philhealth/HDMF	7,545,708.00	43,088.00	27,660.00	7,502,620	17412%	15,428.00	56%
Trainings and Seminars	3,135,027.00	38,475.00	30,000.00	3,096,552	8048%	8,475.00	28%
Fuel and Oil	1,797,826.00			1,797,826	0	-	
Insurance	1,551,974.00			1,551,974	0	-	
Transportation and Travel	306,297.00	21,031.00	96,879.00	285,266	1356%	(75,848.00)	-78%
Representation	218,522.00			218,522	n/a	-	
Donation		16,300.00	8,000.00	(16,300)	-100%	8,300.00	104%
Marketing			35,416.00	0	0	(35,416.00)	-100%

Repairs and Maintenance	68,423.00		10,610.00	68,423	0	(10,610.00)	-100%
Miscellaneous	569,715.00	216,295.00	386,619.00	353,420	163%	(170,324.00)	-44%
Total General and Administrative Expenses for the Year	119,818,535.00	17,507,127.00	24,642,317.00	102,311,408	584%	(7,135,190.00)	-29%

Financial Condition (December 31, 2023 vs December 31, 2022) Assets

Total assets of the company increased by 92%. Most of the increase is attributable mainly to construction in progress and inventories of pharmaceutical laboratory and hospital supplies.

Liabilities

The liabilities of the company increased by 159%. During the year, the company received a loan from Development Bank of the Philippines amounting to P696,400,696, P 47,000,000 from Phil Pharmawealth and P10,000,000 from Aklan Zion Ventures

Equity

The equity of the company decreased by 37% amounting to P125M. During the year, Additional paid-in capital increased by P28M equivalent to an increase of 14%. The deficit during the year also increased by P154M which in effect reflected a deduction from the equity account.

FINANCIAL CONDITION (2023, 2022, 2021)										
	For the Years Ended			Horizontal Analysis				Vertical Analysis		
ASSETS	2023	2022	2021	Inc (Dec)	%	Inc (Dec)	%	2023	2022	2021
				2023-2022		2022-2021				
CURRENT ASSETS										
Cash and Cash Equivalents	68,015,190	59,719,045	85,619,715	8,296,145	14%	(25,900,670)	-30%	4%	6%	14%
Receivables	2,656,675	48,000		2,608,675	5435%	48,000	240%	0%	0%	0%

Inventories	16,608,851			16,608,851		0				0%
Advances to Contractors	172,873,123	109,697,409	32,234,651	63,175,714	0%	77,462,758	240%	9%	11%	5%
Prepayments and other current assets	72,151,887	42,025,353	48,000	30,126,534	72%	41,977,353	87453%	4%	4%	0%
	332,305,726	211,489,807	117,902,366	120,815,919	57%	93,587,441	79%	17%	21%	19%
NON-CURRENT ASSETS										
Property and Equipment	1,605,514,142	796,944,842	504,061,556	808,569,300	101%	292,883,286	58%	83%	79%	81%
Deposits	2,517,314			2,517,314		0				0%
	1,608,031,456	796,944,842	504,061,556	811,086,614	102%	292,883,286	58%	83%	79%	81%
TOTAL ASSETS	1,940,337,182	1,008,434,649	621,963,922	931,902,533	92%	386,470,727	62%	100%	100%	1173%
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
Accounts Payable	138,755,315	4,676,098	2,483,425	134,079,217	2867%	2,192,673	88%	7%	0%	0%
Retention Payable	58,059,427	37,368,844	40,108,653	20,690,583	0%	(2,739,809)	-7%	3%	4%	6%
Advances from Shareholders	186,506,357	36,993,090	53,011,364	149,513,267	404%	(16,018,274)	-30%	10%	4%	9%
Loans Payable - current	84,616,725	0	50,000,000	84,616,725	0%	(50,000,000)	-100%	4%	0%	8%
	467,937,824	79,038,032	145,603,442	388,899,792	492%	(66,565,410)	-46%	24%	8%	23%
NON-CURRENT LIABILITIES										
Loans Payable - non current	1,253,783,971	585,000,000	195,000,000	668,783,971	0%	390,000,000	200%	65%	58%	31%
	1,253,783,971	585,000,000	195,000,000	668,783,971	0%	390,000,000	200%	65%	58%	31%
TOTAL LIABILITIES	1,721,721,795	664,038,032	340,603,442	1,057,683,763	159%	323,434,590	95%	89%	66%	55%
EQUITY										
Share Capital	215,060,000	215,060,000	193,837,000	0	0%	21,223,000	11%	11%	21%	31%
Additional paid-in capital	228,858,000	200,217,500	140,972,000	28,640,500	14%	59,245,500	42%	12%	20%	

Deficit	(225,302,613)	(70,880,883)	(53,448,520)	(154,421,730)	218%	(17,432,363)	33%	-12%	-7%	-9%
TOTAL EQUITY	218,615,387	344,396,617	281,360,480	(125,781,230)	-37%	63,036,137	22%	11%	34%	45%
TOTAL LIABILITIES AND EQUITY	1,940,337,182	1,008,434,649	621,963,922	931,902,533	92%	386,470,727	62%	100%	100%	100%

2023	2022	2021
Cash and Cash Equivalent		
Since hospital commenced Its operations last December 8, 2023, mostly cash has been utilized to procure medical supplies, materials and equipment, ensuring the fulfillment of daily requirements for patient care.	Due to full swing of construction, mostly of the cash was used for the completion of the building and purchase of machineries and equipment	The year-end balance of cash showed an increase from last year's DBP released the first tranche of loan before the year ended.

Advances and other receivables		
Advances to contractor and supplier represents advance payment for project activity awarded and ,	Advances to contractor represents advances for awarded project activity and is liquidated via deduction,	Down payments made to contractors and suppliers. These are being recouped gradually as their work

for medical supplies not yet delivered	on a pro-rate basis from the contractor's periodic progress billings. Advances to suppliers represents advance payment of medical equipment and furniture, and software that are not yet delivered.	progresses.
Land		
Pertains to properties located in Kalibo, Aklan with a total area of 9,500 sqm, where its Hospital building is being constructed.		
Construction-in-progress		
As of December 31, 2023, the total percentage of completion of the construction is at 94.19% with accomplishments at 100% for structural Works, 81.36% for Architectural Works and Interior Fit out, 90.67% for Plumbing Works, 89.87% for Fire Protection Works, 92.03% for Electrical Work, 99% for Electronics and Auxiliary Works, 86.28% for Electronics Work Devices, 97.72% for Mechanical Works, Perimeter Fence and Road Networks at b100%, 100% for Site Development Auxiliary Structures, 70.13% for Medical Gases, and 90% for Owner Supplied Material delivered and installed.	As certified by construction managers, the estimated percentage of completion as at December 31, 2022 of the construction on structural works is at 100%, plumbing works is 75.04%, fire protection work is at 70.07% electrical works is at 78.20% Architectural works and Interior Outfit at 20.96%, Mechanical Works at 45.41%, Perimeter fence & Road Networks at 100% and Site Development Auxiliary Structure is at 45.67%.	Construction is at Structura Works at 80.83%, Plumbing works are 28.80%, Fire Protection work is at 19.87%, Electrical works are at 10.60% complete and Electronics at 1.85%. The total estimated cost to complete the hospital building amounted to P415M.
Accounts Payable and Other Liabilities		

Retention payable amounted P58,059,427 as at December 31, 2023. Other payables pertain to unpaid professional fees and other expenses incurred but not yet paid as at December 31, 2023.	Retention payable amounted P37,368,842 as at December 31, 2022. Other payables pertain to unpaid professional fees and other expenses incurred but not yet paid as at December 31, 2022.	Retention payable amounting to P40M refers to the amount withheld by the Company from the contractor's periodic Progress billings. Advances from stockholders account for 16% of the total liabilities. Other payable,s governmental expenses etc.

Loans payable from related party		
These are unsecured, interest- bearing and slowly being liquidated there are available funds. Loans from other related party as support for the construction of Company's hospital building and pay-off advances used as bridge financing to construction.		
Loans payable		
During the year, the company received P696,400,696 from DBP, P 47,000,000 from Phil Pharmawealth Inc. and P 10,000,000 from Aklan Zion Ventures Inc.	During the year, the company received a loan from Development Bank of the Philippines amounting to P 390,000,000	DBP released its first tranche last November 2021 amounting to P195,000,000.
Share Capital		
There have been no movement in the share of capital for the year 2023.	.There is an increase of P21.2M in Total Share Capital or equivalent to 11%.	As at year end 2021, the company was able to sell and collect 193,837 shares
Additional Paid-in Capital		
Additional Paid-in Capital increased to P 228M for the year 2023. The increase was due to payments made by stockholders with installment terms.	An increase of P 59.2M or equivalent to 42% in Additional Paid-in capital this year.	Net share premium recorded as at end of 2021 increased by P127M as compared to 2020.
Deficit		
The company has just started its operation last December 8,2023. All expenses of the company basically administrative and purchased of materials and supplies to support patient care caused the increase in deficit that was recorded.		

The

For the Year Ended				
	31-Dec-23		31-Dec-22	31-Dec-21
Net Revenue	9,411,651	P	-	
Direct Costs	(26,911,718)		-	
Gross Profit	(17,500,067)		-	
Other Income	311,577		74,764	24357
Gross Income	(17,188,490)		74,764	24357
General & Administrative Expenses	(119,818,535)		17,507,127	24642317
Loss from Operations	(137,007,025)		(17,432,363)	-24617960
Finance Cost	(17,414,705)		-	
Net Loss Before Income Tax	(154,421,730)		(17,432,363)	24617960
Income Tax Expense	-		-	
Net Loss for the year	(154,421,730)		(17,432,363)	24,617,960
Other Comprehensive Income/(Loss) for the Year	-		-	
Total Comprehensive Loss for the Year	(154,421,730)	P	(17,432,363)	24,617,960

The hospital started its operation last December 8, 2023. Data for the year 2023, includes income derived from in-patient, outpatient services, leases, canteen and sales from pharmacy. The company at present reports losses for the previous years. The expenses incurred by the company during these times were all administrative and construction related.

Key Performance Indicators (KPIs)

		2023
LIQUIDITY		**2022**
CURRENT RATIO		
Current Assets / Current Liabilities	0.71 : 1	2.68 : 1

SOLVENCY

DEBT TO EQUITY RATIO		
Total Liabilities / Equity	7.88:1	1.93:1

PROFITABILITY

NET PROFIT MARGIN		
Net Income /Total Revenue	-1641%	0
RETURN ON EQUITY		
Net Income / Total Average Equity	-54.86%	-5.57%

LEVERAGE

DEBT TO TOTAL ASSET RATIO		
Total Debt / Total Assets	0.88 : 1	0.66 : 1
ASSET TO EQUITY RATIO		
Total Assets / Equity	8:88 : 1	2.93:1

INTEREST RATE COVERAGE RATIO

INTEREST RATE COVERAGE RATIO		
Earnings Before Interests & Taxes / Interest Expense	-8.63:1	-231.59:1

As of December 31, 2023

1. The company has not been involved in any legal proceedings, tax and/or regulatory assessments.
2. There has been no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during

the reporting period.
3. There are no seasonal aspects that had material impact on the results of operations of the company.
4. There are no events nor any default acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the company.
5. The company has just started its operation last December 8, 2023
6. The company has no investments on foreign securities.

2023 compared to 2022

1. The company has just commenced its operations last December 8, 2023, in result, deficit will have a significant increase to support patient care activities.
2. The completion of the building's construction and the operation itself are the two main operations that the company's resources, particularly cash, are needed for. Despite the odds, the hospital was able to continue, though slowly.

2022 compared to 2021

1. In the middle of 2021, the authority to sell securities was approved by SEC. This permit enabled the company to hasten the construction of the hospital because funds generated thru the sale of securities.
2. Given that the hospital is in full swing, company resources, especially cash has been depleting. Also, the pandemic affected the sales of securities which eventually affected the construction of the hospital. Despite the odds, the hospital was able to continue though slowly.

2021 compared to 2020

1. In the middle of 2021, the authority to sell securities was approved by SEC. This permit enabled the company to hasten the construction of the hospital because funds generated thru the sale of securities.
2. Given that the hospital is in full swing, company resources, especially cash has been depleting. Also, the pandemic affected the sales of securities which eventually affected the construction of the hospital. Despite the odds, the hospital was able to continue, though slowly.

Item 7. Financial Statements

The 2023 Audited Financial Statements of the Company (with External Auditors' PTR, Name of Certifying Partner and Address) and Statement of Management's Responsibility are attached hereto as **Annex A**.

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

There were no disagreements with Querido Diel & Co. for the year 2023 and Mendoza Querido & Co. for year 2023 on any matter relating to accounting principles and practices, disclosure of financial statements, auditing scope and procedures.

Note 2, Transition to the PFRS, to the financial statements provide discussion on the change in the financial reporting framework, pursuant to the Securities Regulation Code Rule 68, as Amended (2011), including adjustments made on prior period correction of errors in classification of accounts.

EXTERNAL AUDIT FEES AND SERVICES

The External Auditor has rendered:

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

The aggregate fees billed are shown below:

Fees approved in connection with the assurance rendered by Mendoza Querido & Co**.** for 2022 and Querido Diel & Co. for 2023 in accordance with statutory and regulatory requirements total P 341,549.60f or the years ended December 31, 2022, and P 336,000 inclusive of 12% VAT for the years ended December 31, 2023.

Year	2023	2022
Audit Fees	336,000	341,549.60

There are no tax engagements done by Querido Diel & Co. for 2023.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

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 embers of the Company's Board as of December 31, 2023.

No	Name	Age	Position	Citizenship
1	Abril, Joanne B.	44	Treasurer	Filipino
2	Arce, Simeon Jr. A.	60	President	Filipino
3	Ardeña, Gregory Joseph Ryan A.	47	Assistant Treasurer	Filipino
4	Biron, Ferjenel G.	59	Chairman	Filipino
5	Conanan-Morato, Marsha Lourdes P.	41	Corporate Secretary	Filipino
6	Debuque, Eileen May B.	55	Vice Chairman	Filipino
7	Francisco, Nikki James C.	39	Asst. Secretary	Filipino
8	Perez, Claire B.	52	Vice President	Filipino
9	Buenaflor, Regina R.	43	Director	Filipino
10	Daulo-Lavilla, Meride	60	Director	Filipino
11	Quimpo, Raymundo R.	49	Director	Filipino
12	Regozo, Danilo C.	60	Director	Filipino
13	Quintana-Bartolome, Delphine Joanne C.	42	Independent Director	Filipino

14	Icamina, Mary Karen Veronica R.	45	Independent Director	Filipino
15	Quindor, Darcy A.	45	Independent Director	Filipino

All the above individuals were elected as Board of Directors and Officers of the Corporation for the year 2022 until their successors are elected during the Annual Stockholders Meeting of ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC. held on August 31, 2023.

Name	Business and Professional Work Experience
Biron, Ferjenel G.	Founding President/Past CEO – Phil Pharmawealth, Inc. Member, House of Representatives 13^{th} – 15^{th} Congress, 17^{Th} Congress, 19^{Th} Congress (representing 4^{th} District of Iloilo) Former Chairman -HOR Committee on Trade and Industry and Committee on Legislative Franchises Past CEO – Endure Medical Inc. Chairman– Asia-Pacific Medical Center (APMC)- Aklan, Inc., Asia-Pacific Medical Center (APMC) - Iloilo, Inc., Asia-Pacific Medical Center- Bacolod, Inc., Park3 Realty& Development Corporation, EMI Properties OPC, Newlife Regenerative Wellness Center , Obbo Holdings, Inc. , Botikang Pinoy, Inc. and Super BP Mart Director – ACEMC -Butuan, ACEMC- GENSAN, ACEMC-CDO; President – AestheticaManila, Smartlab Diagnostics, Inc.

Name	Business and Professional Work Experience
Debuque, Eileen May B.	Vice Chairman, APMC-Aklan (2018-present) Clinical Practitioner in Internal Medicine- Balbastro Medical Clinic (1998-present) Visiting Consultant-Saint Gabriel Medical Center(1998-present) Visiting Consultant-Dr. Rafael S. Tumbokon Memorial Hospital (2002-present) Visiting Consultant-Panay Health Care MPC Hospital (2013-present) Fellow, Philippine College of Physicians Member-PCP Capiz-Aklan Chapter & PMA, Aklan Medical Society Visiting Consultant- Saint Jude's Hospital (1998- 2017) Visiting Consultant-Aklan Cooperative Mission Hospital (1998-2019) MICU Consultant-Dr. Rafael S. Tumbokon Memorial Hospital (2003-2005) Medical Officer IV (Dept. of Internal Medicine)-Dr. Rafael S. Tumbokon Memorial Hospital (1998- 2002) Past Vice President, Past Secretary & Past Board of Director-Aklan Medical Society Masters in Mgmt, major in Hospital Administration, June 2018
Arce, Simeon Jr. A.	Visiting Consultant- Saint Gabriel Medical Center; Medical Officer 4 DRSTMH Dept. of Medicine 1990-1996 Visiting Consultant St Jude's Hospital 2002-2017 Visiting Consultant DRSTMH 2002 –present Visiting Consultant- Aklan Mission Hospital, 1996- 2019 Chairman of the Board – Village Marketing-Kalibo Corp. 2003-present; Board of Director S&D Agro- industrial Corp 2006-present Treasurer – APMC Aklan (former ACEMC Aklan Inc. _ 2018 -2019 President – APMC-AKLAN INC. 2020

Daulo-Lavilla, Meride	Clinical Practitioner in Pediatrics-Lavilla Medical Clinic (1994-present) Professorial Lecturer/Clinical Preceptor-WVSU-COLLEGE of Medicine (1994-present); Visiting Consultant – West Visayas State University Medical Center, Iloilo Mission Hospital, St. Paul's Hospital, Medicus Medical Center, St. Therese Hospital, Qualimed Medical Center (1994-present) Medical Retainer – Vitarich Corporation (Vismin) (1999-present), Medical Retainer - Angelina

Name	**Business and Professional Work Experience**
	Bakeshop (Iloilo) (2008-present), Executive Vice President-ACEMC-Aklan (2018 - 2020),Treasurer-ACEMC- Bacolod (2017-2018), Director – ACEMC-Cagayan De Oro (2016-present), Founding Member-ACEMC Gen San, ACEMC- Butuan, Director-Healthlink Aklan, Inc. (2014- present)
Conanan-Morato, Marsha Lourdes P.	Chief Resident- Dept. of Anesthesiology- West Visayas State University Medical Center (2009- 2012); Medical Specialist I- Ibajay District Hospital (2012-2016);Chairman-Dept. of Anesthesiology- Saint Gabriel Medical Center (2016-present); Visiting Consultant-Saint Gabriel Medical Center (2012- present); Chairman-Dept. of Anesthesiology(2014- 2018) and Visiting Consultant- Panay Health Care MPC Hospital; Visiting Consultant-Aklan Mission Cooperative Hospital, Visiting Consultant- Dr. Rafael S. Tumbokon Memorial Hospital; Chairman-Dept. of Anesthesiology(2014-2018) and Visiting Consultant- Aklan Baptist Hospital (2013-present); Visiting Consultant- St. Jude's Hospital; Auditor/ Member-Aklan Medical Society (2014-2016/ 2013-present) Board of Director & Corporate Secretary- APMC- Aklan Inc. (2017- present)

Regozo, Danilo C.	Director- APMC-Aklan; Director /Chairman of Construction Committee - ACEMC-Iloilo, Exec Vice President- ACEMC Bacolod,; Director - ACEMC GenSan, ACEMC Butuan, Founder- Tagum Global Medical Center, ACEMC CDO; Visiting Consultant- Iloilo Doctor's Hospital, Iloilo Mission Hospital, The Medical City Iloilo, Medicus Medical Center, St. Therese MTCC Hospital; Phil. Academy of Family Physician(PAFP) Iloilo Chapter- Treasurer (2001-2003), Vice President (2003- 2004); Iloilo Medical Society- Asst. Secretary (2014-2016), Vice President (2016-2018); Philippine College of Occupational Medicine- Associate Member- 1994- Present; Fellow, Life, PAFP
Perez, Claire B.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Aklan Mission Cooperative Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital PCP Capiz-Aklan Chapter Secretary – 2015

Name	Business and Professional Work Experience
	PCP Capiz-Aklan Chapter Asst. Secretary/Treasurer – 2016PCP Vice President, Capiz-Aklan Chapter (2018-2019) PCP President, Capiz-Aklan Chapter 2019 Director – ACEMC Aklan Inc 2018 – 2019 Director/Assistant Treasurer APMC Aklan 2020
Ardeña, Gregory Joseph Ryan A.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital Past President (2017-2018): PCP Capiz-Aklan Chapter Chairman: Dept. of Medicine Panay Health Care Hospital 2013- present Director – APMC Aklan Inc

Quimpo, Raymundo R.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Aklan Mission Cooperative Hospital, Medical Specialist -Dr. Rafael S. Tumbokon Memorial Hospital; Head Dept of Orthopedics 2007 – present, Chairman USWAG Dev't Foundation President, USWAG Employees Cooperative BOD, Northwestern Visayas Colleges BOD, Philippine Orthopedic Association- Western Visayas Chapter Director/Chairman- Construction Com.- APMC Aklan Inc.
Abril, Joanne B.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital Chairman- Infection Prevention and Control- Panay Health Care Chairman- Antimicrobial Stewardship Committee- Panay Health Care BOD- PCP Capiz-Aklan 2018-2019 Treasurer-PCP Capiz-Aklan 2019-2020 Director/ Treasurer APMC Aklan Inc 2020
Buenaflor, Regina R.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital, Aklan Cooperative Mission Hospital. Board of Director APMC Aklan Inc. 2021
Francisco, Nikki James C.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Aklan Mission Cooperative Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Asst. Secretary – APMC Aklan Inc
Quintana-Bartolome, Delphine Joanne C.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Aklan Mission Cooperative Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital; Director – APMC Aklan Inc

Icamina, Mary Karen Veronica R.	Visiting Consultant- Saint Gabriel Medical Center, Aklan Mission Cooperative Hospital, Saint Jude Hospital, The Health Centrum, Roxas City, MMG Aklan Specialty Clinics, Board of Director 2012 - present Saint Gabriel Medical Center, Head Department of Obstetrics and Gynecology 2013 - present; Director – APMC Aklan Inc; Director – APMC Aklan Inc
Quindor, Darcy A.	Visiting Consultant- Saint Gabriel Medical Center, Panay Health Care MPC Hospital, Aklan Mission Cooperative Hospital, Dr. Rafael S. Tumbokon Memorial Hospital, Saint Jude Hospital; Director – APMC Aklan Inc

Term of Office

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

OFFICERS

The table below sets forth APMCAI's executive officers in addition to its executive directors listed above as of December 31, 2023.

Name	Age	Position	Citizenship	**Period during which individual has served as such**
Mary Graces N. Garces	28	Chief Accounting Officer	Filipino	March 15 to December 31, 2023
Bonnie Vee S. Dela Torre	38	Internal Audit Head	Filipino	June 30, 2023- December 2023
Maylene B. Villanueva	43	Compliance Officer	Filipino	July 4, 2021 to present
May U. Ignacio	50	Data Protection Officer	Filipino	July 4, 2021 to present

MARY GRACE N. GARCES is a Certified Public Accountant. She has been a Financial Reporting Service Associate at G. PagasPas Partners & Co., CPAs. She is an experienced Junior Auditor wherein she handles foreign clients audited financial statements. Further, she also handles different kinds of industries, like pharmaceuticals, Business Process Outsourcing, and the e-commerce industry.

BONNIE VEE S. DELA TORRE is the Chief Accounting Officer of the Company. He is a Certified, Public Accountant and Certified Internal Auditor. He is also the owner of DT Accounting and Consultancy Services. Previously employed as Audit Manager of Aklan Electric Cooperative and Compliance Head of Maxicare Healthcare Corporation.

DR. MAY URBANOZO-IGNACIO is the Data Protection Officer of the Company. She is also the Chief of Clinics of Dr. Rafael S. Tumbokon Memorial Hospital. She obtained her Doctor of Medicine and BS Biology degree from Iloilo Doctors College of Medicine and University of the Philippines in the Visayas, respectively . She had her Masters in Management Major in Hospital Administration from the Philippine Christian University . She is a Certified Data Protection Officer by the UP Open University.

MAYLENE B. VILLANUEVA is the Compliance Officer of the Company. She also serves as the Compliance Officer of Asia Pacific Medical Center – Iloilo , Inc and Asia Pacific Medical Center-Bacolod, Inc. and served as Corporate Secretary of Asia Pacific Medical Center Iloilo from 2019-2023. She is the President of TIPP Digital Solutions, Inc. and a Managing Partner in Villanueva, Balio and Ariston Law Offices, a partnership engaged in the general practice of law. She is also the Vice President for Legal Affairs and Human Resource of Phil Pharmawealth Inc.and had been its Acting President from September 2021 to April 2022 and serves as Corporate Secretary of Quicklab Diagnostics, Inc., Aesthetica Manila Inc. and Smartlab Diagnostics Inc. She is also a current member of the Board of Regents of the lloilo State University of Fisheries, Science and Technology (ISUFST) representing the Private Sector.

She is a Certified Compliance Officer by the Center for Global Best Practices, a Certified Data Protection Officer by the UP Open University and a Certified Level 2 Public Procurement Specialist by the GPPB -UP National Engineering Center program partnership. She was an active member of the Junior Chamber International Philippines and served the National Organization in various capacities such as being an Area Vice President for Area 4-Visayas in 2020, General Legal Counsel in 2019 and Regional Vice President for Western Visayas in 2016 after she served the local organization JCI Barotac Nuevo Tamasak as its (Revival) Chapter President in 2013 and 2014. She was conferred a JCI Senatorship by the Junior Chamber International on 6 May 2022. She is also an Associate Member of the Institute of Corporate Directors. She obtained her degrees in Law and Broadcast Communication from the University of San Agustin and the University Philippines in the Visayas respectively.

INDEPENDENT DIRECTORS

The independent directors of the Company as of 31 December 2023 are as follows:

1. Delphine Joanne Quintana-Bartolome
2. Mary Karen Veronica R. Icamina
3. Darcy A. Quindor

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

There are no directors and executive officers that are related with each within the fourth civil degree of consanguinity or affinity.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government, bankruptcy petition, convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding, both domestic and foreign, has been subject to any order, judgment or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities or found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

Summary of Compensation Table

Annual Compensation

SUMMARY COMPENSATION TABLE

(a) Name of Officer and Principal Position	(b) Year	(c) Salary*	(d) Bonus	(e) Other compensation (professional fees, per diem and other allowances)**
Dr. Simeon A. Arce, Jr., President Mary Grace N. Garces, Chief Accounting Officer Dr. Marsha Lourdes P. Conanan Morato, Corporate Secretary Dr. Joanne B. Abril, Treasurer	2023	1,620,000.00	135,000	360,000.00
All other Officers		2,400,000.00	235,000.00	170,000.00
Dr. Simeon A. Arce, Jr., President Bonnie Vee S. Dela Torre, Chief Accounting Officer Dr. Marsha Lourdes P. Conanan Morato, Corprate Secretary Dr. Joanne B. Abril, Treasurer	2022	1,860,000.00	155,000.00	360,000.00
All other Officers		3,020,000.00	235,000.00	170,000.00
Dr. Ferjenel G. Biron, Chairman Dr. Simeon A. Arce, Jr., President Bonnie Vee S. Dela Torre, Chief Accounting Officer Dr. Marsha Lourdes P. Conanan Morato, Corporate Secretary Dr. Joanne B. Abril, Treasurer	2021	1,860,000.00	155,000.00	360,000.00
All other Officers		2,820,000.00	235,000.00	160,000.00

STANDARD ARRANGEMENTS

The company approved a reasonable per diem for each director for every board meeting attended which is P10,000.00 as specified and shall be effective on November 2020.

a. Regular and Special Board Meeting : P10,000.00
b. Special Meeting for Construction : P 5,000.00
c. Travel allowance: none

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

OTHER ARRANGEMENTS

EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND EXECUTIVE OFFICERS

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

WARRANTS AND OPTIONS HELD BY THE EXECUTIVES AND DIRECTORS

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

SIGNIFICANT EMPLOYEE

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of December 31, 2023 the Company knows no one who beneficially owns in excess of 5% of the Company's common stock except set forth in the table which shows the record and beneficial owners of more than 5% of the voting securities of the Company as of December 31, 2023.

Class	Name / 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 Streets, Valle Verde VI, Pasig City	Biron, Ferjenel G. / Record Owner is also Beneficial Owner	Filipino	33,890 110	15.81%

SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the security ownership of management in the common shares of the Company as at December 31, 2023.

INDIVIDUAL DIRECTORS

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
Biron, Ferjenel G.	34,000,000		Filipino	34,000	15.81%
Arce, Simeon Jr. A.	6,800,000	6,800,000	Filipino	13,600	6.32%
Buenaflor, Regina R.	6,800,000	10,200,000	Filipino	17,000	7.90%
Perez, Claire B.	10,200,000		Filipino	10,200	4.74%

Daulo-Lavilla, Meride	6,800,000		Filipino	3400	3.16%
Abril, Joanne B.	3,400,000		Filipino	3,400	1.58%
Ardeña, Gregory Joseph Ryan A.	3,400,000		Filipino	3,400	1.58%
Quintana-Bartolome, Delphine Joanne C.	3,400,000		Filipino	3,400	1.58%
Conanan-Morato, Marsha Lourdes P.	3,400,000		Filipino	3,400	1.58%
Debuque, Eileen May B.	3,400,000		Filipino	3,400	1.58%
Francisco, Nikki James C.	3,400,000		Filipino	3,400	1.58%
Icamina, Mary Karen Veronica R.	3,400,000		Filipino	3,400	1.58%
Quimpo, Raymundo R.	3,400,000		Filipino	3,400	1.58%
Quindor, Darcy A.	3,400,000		Filipino	3,400	1.58%
Regozo, Danilo C.	3,400,000		Filipino	3,400	1.58%

VOTING TRUST HOLDERS OF 5.0% OR MORE

On May 19, 2023 the following investors have entered into a Voting Trust Agreement in favor of Simeon A. Arce, Jr. with address at 1021 Arce Compound, Roxas Ave., Ext. Kalibo, Aklan for a period of Three (3) years increasing his voting shares from 3.16% to 22.13 % of the total voting stock. As of December 31, 2023, the Securities of Exchange Commission has yet to issue the Certificate of Filing.

Title of Securities	Amount	Name of Trustors
Common Shares	10	Romeo A. Abayon
Founder Shares	3,390	

Common Shares Founder Shares	20 6,780	Ma. Ester L. Alfaro
Common Shares Founder Shares	10 3,390	Johnna G. De Jose
Common Shares Founder Shares	10 3,390	Marymil B. Dignadice
Common Shares Founder Shares	10 3,390	Roel A. Escanillas
Common Shares Founder Shares	10 3,390	Edmundo B. Fernandez, Jr.
Common Shares Founder Shares	10 3,390	Josefa Roberta A. Magallanes
Common Shares Founder Shares	10 3,390	Harriet R. Navarro
Common Shares Founder Shares	10 3,390	Ester F. Palma
Common Shares Founder Shares	10 3,390	Pauleen M. Sazon
Common Shares Founder Shares	10 3,390	Peter Myron Jun O. Torres

CHANGES IN CONTROL

The abovementioned Voting Trust Agreement made Dr. Simeon Arce Jr. obtain substantial voting control of 22.13% for three years.

Item 12. Certain Relationships and Related Transactions

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

			Terms and	Amount of the	Outstanding
	Year	Classification	Conditions	Transaction	Balance
Shareholders	2023	Advances from	Unsecured,	**P 149,513,267**	**P 186,506,357**
		Shareholders	unguaranteed		
			noninterest		
	2022		bearing, without	(16,018,274)	36,993,090
			definite call dates,		
			and payables in		
	2021		cash or thru debt -	(68,320,354)	53,011,364
			equity conversion		
			or future availment		
			of stock rights or		
APMC-Bacolod	2023	Loans Payable	Unsecured,interest -	15,000,000	
	2022		bearing,payable in	-	
	2021		installment.	40,000,000	
APMC-Bacolod	2023	Borrowing costs		265,882	
	2022				
	2021			180,822	
Phil	2023	Loans Payable	Unsecured interest -	173,010,889	47,000,000
Pharmawealth			bearing payable in		
Inc.	2022		installment,payable		
			after one month		
	2021		from execution of	50,000,000	50,000,000
			the loan		
Phil	2023	Borrowing Costs		4,925,757	-
Pharmawealth,					
Aklan Zion Ventures	2023	Loans Payable	Unsecured, interest -	10,000,000	10,000,000
Inc.			bearing,payables in		
			installment,payable		
			after one month		
			from execution of		
			the loan		
Aklan Zion Ventures,	2023	Borrowing Costs		83,836	
Inc.					
Shareholder	2023	Rent (Notes 12 and 13)	Unsecured,	180,000	

	2022		noninterest -	144,000	
	2021		bearing, payable	144,000	
			monthly		

Identification	**Relationship**	**Business Purpose of Arrangement**	**Commitments**
Shareholders	Shareholder	Advances from shareholders in support of the Company's hospital building construction requirements.	Acknowledgement Receipt
Directors	Shareholder	Provided by the Board of Directors, for future subscription in case there is an increase in the capital stock	No contract
ACEMC-Bacolod	Other related party	Loans from other related party as support for the construction of Company's hospital building.	Loan agreement
Phil Pharmawealth, Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances used as bridge financing to construction.	Loan agreement
Aklan Zion Ventures Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances used as bridge financing to construction and hospital operations.	Loan agreement
Aklan Zion Ventures Inc.	Other related party	The company leased a space to the Company	Lease contract

Shareholder	Shareholder	The shareholder leased a temporary office space to the Company	Lease contract

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

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company is committed to a strong corporate governance with transparency and accountability as its hallmarks.

On 4 July 2021, 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 2 December 2021 which substantially adopted all of the recommendations under SEC Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers (CG Code for PCs and Rls).

The minor deviations from the recommendations of the CG Code for PCs and Rls such as the number of Executive directors being more than the number of non-executive directors, the Corporate Secretary being a member of the Board of Directors, and having three (3) Independent Directors instead of five (5) or one-third of the membership were necessitated by the fact that the company is has only commenced operations on 8 December 2023 and there is a need for lean manpower through the combination of various roles in some persons and the Company can only afford to give per diems for its Independent Directors hence only few were interested. The Company undertakes to be fully compliant with the recommendations as soon as practicable.

Education and training is essential to compliance. To ensure that the Company will fully comply with the adopted leading practices on good corporate governance, a program was set in place requiring Directors to undergo SEC accredited trainings on corporate governance trainings and other trainings that will optimize Board performance. Further, to improve corporate governance of the company, a regular review of the Manual on Governance by the Corporate Governance Committee is mandated.

Part V. EXHIBITS AND SCHEDULES

(a) Exhibits
The 2023 Audited Financial Statements is attached as Annex “A” hereto.
(b) Reports on Form 17-C
A summary list of the reports on Form 17-C Filed for the year 2023 is attached as Annex “B”

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Kalibo, Aklan on 29 APR 2024, 20__.

By:

Dr. Simeon A. Arce, Jr.
President

Dr. Gregory Joseph Ryan A. Ardeña
Assistant Treasurer

Dr. Claire B. Perez
Vice President

Yehlen A. Dela Cruz
Chief Accounting Officer

Bonnie Vee S. Dela Torre
Chief Financial Officer

Marsha Lourdes P. Conanan-Morato
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29 APR 2024 day of __________ 20___ affiant(s) exhibiting to me his/their Residence Certificate, as follows:

Names	Res. Cert. No.	Date of Issue	Place of Issue
Dr. Simeon A. Arce, Jr.	0068829	03/05/1990	
Dr. Gregory Joseph Ryan A. Ardeña	0099599	02/27/2003	
Dr. Claire B. Perez	0089310	08/24/1998	
Yehlen A. Dela Cruz	0110832	11/28/2003	
Bonnie Vee S. Dela Torre	0118924	11/13/2006	
Dr. Marsha Lourdes P. Conanan-Morato	0114192	09/05/2008	

Doc. No. 254;
Page No. 48;
Book No. XLI;
Series of 20 24.

ATTY. JOSEPH D. LAGUNA, CPA
Notary Public / Province of Aklan
Notarial Commission No. 3 (2023-2024)
Commission valid until December 31, 2024
Attorney's Roll No. 70710; June 4, 2018
PTR No. 8710979; January 2, 2024; Aklan
IBP Membership No. 371365; December 21, 2023
TIN: 943-474-100; August 23, 2007
MCLE Compliance No. VII-0006952 valid until 04/14/2025

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: C S 2 0 1 7 3 9 4 3 7

Company Name

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC. (Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)

Principal Office (No./Street/Barangay/City/Town)Province)

JUDGE MARTELINO ROAD, ANDAGAO, KALIBO, AKLAN

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
asiapacificmedicalcenter.aklan@yahoo.com	036-268-23-20	+63917-814-6042

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
	Every 3rd Saturday of April	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Simeon A. Arce, Jr.	simeonjraa@yahoo.com	036-268-23-20	+63920-910-3907

Contact Person's Address

2F Aklan Polyclinic and Drugstore Building, Goding Ramos St., Kalibo, Aklan

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

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

ASIA PACIFIC
MEDICAL CENTER
AKLAN
Formerly: Allied Care Experts (Ace) Medical Center - Aklan, Inc.

REVENUE REGION 11 - ILOILO
BUREAU OF INTERNAL REVENUE
RECEIVED
GINA N. MAIGUE
REVENUE OFFICER
APR 30 2024
RDO NO. 71 - KALIBO, AKLAN

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Querido Diel & Co., CPAs and Mendoza Querido & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2023, and 2022 and 2021, respectively, have audited the financial statements of the Company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, have expressed its opinion on the fairness of presentation upon completion of such audit.

Dr. Ferjenel G. Biron
Chairman of the Board

Dr. Simeon A. Arce, Jr.
President

Dr. Joanne B. Abril
Treasurer

Signed this 28th of April 2024

Judge Martelino Road, Andagao,
Kalibo, Aklan
(036) 268-2320
0917-814-6042
info@apmcaklan.com
asiapacificmedicalcenter-aklan.com

ASIA PACIFIC
MEDICAL CENTER
AKLAN
Formerly: Allied Care Experts (Ace) Medical Center - Aklan, Inc.

SUBSCRIBED AND SWORN to me before this 29 APR 2024 with the presentation of the following:

Name	Government ID	Place Issue	Date Issued
Dr. Ferjenel Biron	Phil. Passport P8912997B	DFA Manila	Feb. 10, 2022
Dr. Simeon Arce, Jr.	LTO FO4-81-001224	Kalibo, Aklan	
Dr. Joanne Abril	Phil. Passport P9224444B	DFA Lucena	March 17, 2022

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Book No. 29
Series of 2024

ROMEO P. INOCENCIO
Notary Public for the Province of Aklan
Appointment No. 1 (2023-2024)
Until December 31, 2024
Roll No. 35274
XIX Martyrs St., Kalibo, Aklan
IBP No. [illegible](MD2024)/12/20/2023/Pasig City
PTR No. [illegible]/01/03/2024/Kalibo, Aklan
MCLE Compliance No. VII-0001782
Issued on December 02, 2019

Judge Martelino Road, Andagao,
Kalibo, Aklan
(036) 268-2320
0917-814-6042
info@apmcaklan.com
asiapacificmedicalcenter-aklan.com

QUERIDO
DIEL & CO.

Unit 501, 5th Floor, Angelus Plaza
104 V.A. Rufino Street, Legazpi Village
Makati City, 1229

T: 632 8552 6068

E: qdc.mgt@gmail.com

PRC/BOA Accreditation No. 9730
January 17, 2024, valid until
November 22, 2026

To the Stockholders and the Board of Directors
Asia Pacific Medical Center (APMC) – Aklan Inc.
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)
Judge Martelino Road, Barangay Andagao
Kalibo, Aklan

We have audited the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company) for the year ended December 31, 2023, on which we have rendered the attached report dated April 28, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of forty-four (44) stockholders owning one hundred (100) or more shares each.

For the Firm: **QUERIDO DIEL & CO., CPAs**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
PRC/BOA Accreditation No. 9730/P-001
January 17, 2024, valid until November 22, 2026
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022
January 25, 2022, valid until January 24, 2025
PTR No. 10088775, January 13, 2024, Makati City

April 28, 2024

QUERIDO DIEL & CO.

Unit 501, 5th Floor, Angelus Plaza
104 V.A. Rufino Street, Legazpi Village
Makati City, 1229

T: 632 8552 6068

E: qdc.mgt@gmail.com

PRC/BOA Accreditation No. 9730
January 17, 2024, valid until
November 22, 2026

INDEPENDENT AUDITORS' REPORT

REVENUE REGION 11 - ILOILO
BUREAU OF INTERNAL REVENUE
RECEIVED
GINA N. CAIGUE
REVENUE OFFICER
APR 30 2024
RDO 71 - KALIBO, AKLAN

The Stockholders and the Board of Directors
Asia Pacific Medical Center (APMC) – Aklan Inc.
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)
Judge Martelino Road, Barangay Andagao
Kalibo, Aklan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

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

As at December 31, 2023, we have determined that there are no key audit matters to communicate in our report.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, license fees and schedules prescribed under existing revenue issuances in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Richard S. Querido.

For the firm: **QUERIDO DIEL & CO., CPAs**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
PRC/BOA Accreditation No. 9730/P-001
January 17, 2024, valid until November 22, 2026
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022
January 25, 2022, valid until January 24, 2025
PTR No. 10088775, January 13, 2024, Makati City

April 28, 2024

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Pesos)

	2023	2022
ASSETS		
Current Assets		
Cash (Notes 2, 3 and 4)	**P68,015,190**	P59,719,045
Receivables (Notes 2, 3, 4 and 5)	**2,656,675**	48,000
Inventories (Notes 2, 3 and 6)	**16,608,851**	–
Advances to contractors (Notes 2, 3 and 7)	**172,873,123**	109,697,409
Prepayments and other current assets (Notes 2, 3, 8 and 25)	**72,151,887**	42,025,353
Total Current Assets	**332,305,726**	211,489,807
Noncurrent Assets		
Property and equipment – net (Notes 2, 3, 9 and 25)	**1,605,514,142**	796,944,842
Deposits (Notes 2, 3, 4 and 10)	**2,517,314**	–
Total Noncurrent Assets	**1,608,031,456**	796,944,842
TOTAL ASSETS	**P1,940,337,182**	P1,008,434,649
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 2, 4 and 11)	**P138,755,315**	P4,676,098
Retention payables (Notes 2, 4 and 12)	**58,059,427**	37,368,844
Advances from shareholders (Notes 2, 4 and 20)	**186,506,357**	36,993,090
Loans payable – current portion (Notes 2, 4 and 13)	**84,616,725**	–
Total Current Liabilities	**467,937,824**	79,038,032
Noncurrent Liability		
Loans payable – noncurrent (Notes 2, 4 and 13)	**1,253,783,971**	585,000,000
Total Liabilities	**1,721,721,795**	664,038,032
Equity		
Share capital (Notes 2, 4 and 14)	**215,060,000**	215,060,000
Additional paid-in capital (Notes 2 and 4)	**228,858,000**	200,217,500
Deficit (Notes 2 and 4)	**(225,302,613)**	(70,880,883)
Total Equity	**218,615,387**	344,396,617
TOTAL LIABILITIES AND EQUITY	**P1,940,337,182**	P1,008,434,649

See accompanying Notes to Financial Statements.

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Amounts in Philippine Pesos)

REVENUE REGION 11 - ILOILO
BUREAU OF INTERNAL REVENUE
RECEIVED
GINA N. MAIGUE
REVENUE OFFICER
DATE
RDO NO. 71 - KALIBO, AKLAN
APR 30 2024

	2023	2022	2021
GROSS REVENUES (Notes 2 and 15)	**P9,623,184**	P–	P–
DISCOUNTS AND FREE SERVICES (Note 2)	**(211,533)**	–	–
NET REVENUES	**9,411,651**	–	–
COST OF SERVICES (Notes 2 and 16)	**(26,911,718)**	–	–
LOSS	**(17,500,067)**	–	–
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 2 and 17)	**(119,818,535)**	(17,507,127)	(24,642,317)
OTHER INCOME (Notes 2 and 18)	**311,577**	74,764	24,357
LOSS FROM OPERATIONS	**(137,007,025)**	(17,432,363)	(24,617,960)
FINANCE COSTS (Notes 2 and 13)	**(17,414,705)**	–	–
NET LOSS	**(P154,421,730)**	(P17,432,363)	(P24,617,960)
LOSS PER SHARE (Notes 2 and 22)	**(P718.04)**	(P81.06)	(P120.33)

There was no other comprehensive income during the years ended December 31, 2023, 2022 and 2021.

See accompanying Notes to Financial Statements.

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Amounts in Philippine Pesos)

	2023	2022	2021
SHARE CAPITAL (Notes 2, 4 and 14)	**P215,060,000**	P215,060,000	P193,837,000
ADDITIONAL PAID-IN CAPITAL (Notes 2 and 4)	**228,858,000**	200,217,500	140,972,000
DEFICIT (Notes 2 and 4)			
Balance at beginning of year	**(70,880,883)**	(53,448,520)	(28,830,560)
Net loss	**(154,421,730)**	(17,432,363)	(24,617,960)
Balance at end of year	**(225,302,613)**	(70,880,883)	(53,448,520)
	P218,615,387	P344,396,617	P281,360,480

See accompanying Notes to Financial Statements.

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	**(P154,421,730)**	(P17,432,363)	(P24,617,960)
Adjustments for:			
Interest income (Note 18)	**(38,996)**	(74,764)	(24,357)
Depreciation (Notes 9, 16 and 17)	**4,578,615**	192,393	156,069
Loss before working capital changes	**(149,882,111)**	(17,314,734)	(24,486,248)
Decrease (increase) in:			
Receivables (Note 5)	**(2,608,675)**	–	–
Inventories (Note 6)	**(16,608,851)**	–	–
Prepayments and other current assets (Note 8)	**(4,541,297)**	(64,270)	64,270
Increase in accounts and other payables (Note 11)	**134,079,217**	2,192,673	1,933,941
Net cash used for operations	**(39,561,717)**	(15,186,331)	(22,488,037)
Interest received	**38,996**	74,764	24,357
Net cash used in operating activities	**(39,522,721)**	(15,111,567)	(22,463,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Retention from (release of) payment to contractors (Note 12)	**20,690,583**	(2,739,809)	33,980,084
Payment of deposits (Note 10)	**(2,517,314)**	–	–
Advance payments to suppliers (Note 8)	**(25,585,237)**	(41,961,083)	–
Advance payments to contractors (Note 7)	**(63,175,714)**	(77,462,758)	(26,248,323)
Additions to property and equipment (Note 9)	**(813,147,915)**	(293,075,679)	(271,319,813)
Net cash used in investing activities	**(883,735,597)**	(415,239,329)	(263,588,052)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans payable (Notes 13 and 23)	**894,411,585**	390,000,000	245,000,000
Proceeds from (payments of) advances from stockholders (Notes 20 and 23)	**149,513,267**	(16,018,274)	(68,320,354)
Proceeds from subscription of share capital (Note 14)	**28,640,500**	80,468,500	142,133,000
Payments of loans payable (Notes 13 and 23)	**(141,010,889)**	(50,000,000)	–
Net cash provided by financing activities	**931,554,463**	404,450,226	318,812,646
NET INCREASE (DECREASE) IN CASH	**8,296,145**	(25,900,670)	32,760,914
CASH AT BEGINNING OF YEAR	**59,719,045**	85,619,715	52,858,801
CASH AT END OF YEAR	**P68,015,190**	P59,719,045	P85,619,715
CASH AT END OF YEAR CONSISTS OF:			
Cash on hand	**P931,434**	P–	P–
Cash in banks	**67,083,756**	59,719,045	85,619,715
	P68,015,190	P59,719,045	P85,619,715

See accompanying Notes to Financial Statements.

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
NOTES TO FINANCIAL STATEMENTS

1. General Information

Asia Pacific Medical Center (APMC) - Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.) [the Company] was registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 2017 with limited life of fifty (50) years from the date of registration primarily to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical, laboratories, diagnostic centers, ambulatory clinics, scientific research and educational institutions and other allied undertaking and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The Company's Board of Directors (BOD) and Stockholders representing at least 2/3 of the outstanding share capital at their respective meetings on June 4, 2020 and June 14, 2020, approved to change the Company's corporate name from Allied Care Experts (ACE) Medical Center - Aklan Inc. to Asia Pacific Medical Center (APMC) - Aklan Inc. On December 3, 2020, the SEC approved the amendment to the Articles of Incorporation of the Company to change the Company's corporate name.

The Company's office address is located at Judge Martelino Road, Andagao, Kalibo, Aklan.

The Company has five hundred twelve (512) and eighteen (18) employees as at December 31, 2023 and 2022, respectively.

The accompanying financial statements of the Company for the year ended December 31, 2023 were approved and authorized for issue by the BOD on April 28, 2023.

2. Summary of Material Accounting Policies and Disclosures

Basis of Preparation
The accompanying financial statements of the Company have been prepared on a historical cost basis, except as otherwise stated. The financial statements are presented in Philippine peso, which is the functional and presentation currency under the Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso except as otherwise indicated.

Statement of Compliance
The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards (PAS) and Interpretations issued by former Standing Interpretations Committee, the Philippine Interpretations Committee and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC.

Changes in Accounting Policies

The Company consistently adopted and applied all accounting policies under PFRS which have been issued and becomes effective except adoption of the following amendments effective beginning January 1, 2023. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

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

  The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

- Amendments to PAS 1 and PFRS Practice Statement 2, "*Disclosure Initiative – Accounting Policies*"

  The amendments to PAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to PFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The amendments have an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

- Amendments to PAS 8, "*Definition of Accounting Estimates*"

  The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

- Amendments to PAS 12, "*Deferred Tax related to Assets and Liabilities from a Single Transaction*"

  The amendments require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations.

- Amendments to PAS 12, "*International Tax Reform- Pillar Two Model Rules*"

  The amendments are issued to clarify the application of PAS 12, "*Income Taxes*" to income taxes arising from tax law enacted or substantively enacted to implement the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes).

The amendments introduce a temporary mandatory exception to the accounting for deferred taxes arising from jurisdictional implementation of the Pillar Two model rules. The amendments also provide targeted disclosure requirements to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. The amendments are effective immediately and retrospectively.

The adoption of the foregoing new, revised and amended PFRS and PAS will not have any significant impact on the financial statements except as otherwise stated. Additional disclosures have been included in the notes to financial statements, as applicable.

New Accounting Standards, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2023

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2023 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, "*Noncurrent Liabilities with Covenants*"

  The amendments clarify how conditions with which an entity must comply within twelve months after the reporting date affect the classification of a liability. The amendments modify the requirements introduced by PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent*, on how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or noncurrent. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that noncurrent liabilities with covenants could become repayable within twelve months.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 16, "*Lease Liability in a Sale and Leaseback*"

  The amendments specify how a seller-lessee should apply the subsequent measurement requirements in PFRS 16 to the lease liability that arises in the sale and leaseback transaction. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss relating to the partial or full termination of a lease.

  The amendments also do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 7 and PFRS 7, "*Supplier Finance Arrangements*"

  The amendments are intended to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

  The amendments require an entity to disclose the following for its supplier finance arrangements:

  - the terms and conditions of the arrangements;
  - the carrying amounts and associated line items of financial liabilities in the statement of financial position that are part of a supplier finance arrangement, with breakup of the amounts for which the suppliers have already received payment from the finance providers;
  - ranges of payment due dates; and
  - liquidity risk information.

  The amendments also include explanation of characteristics of a supplier finance arrangements and provide transitional relief, mainly for disclosure of comparative information.

  The Company will adopt this amendment and effect any disclosure requirements on the financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, "*Insurance Contracts*"*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *"Insurance Contracts"*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adoption for contracts with direct participation features (the variable fee approach)

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

- Amendments to PFRS 17, "*Insurance Contracts*"*

  The amendments, which respond to feedback from stakeholders, are designed to:

  - Reduce costs by simplifying some requirements in the Standard;
  - Make financial performance easier to explain; and
  - Ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

  The amendments are not applicable to the Company since it does not have activities that are predominantly connected with insurance or issue insurance contracts.

* Amendment to PFRS 17, "*Initial Application of PFRS 17 and PFRS 9 – Comparative Information*"

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

**On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two (2) years after its effective date as decided by the IASB.*

* Amendments to PAS 21, "*Lack of Exchangeability*"

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  When applying the amendments, an entity cannot restate comparative information.

Deferred Effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, "*Business Combinations*". Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments may apply to future transactions of the Company.

* Deferment of Implementation of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *"Borrowing Cost"*) for the Real Estate Industry

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35 (c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

On February 21, 2020, the Philippine SEC issued MC No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

The adoption of this amendment is not expected to have any significant impact on the financial statements since the Company is not in a real estate industry.

No Mandatory Effective Date

- PFRS 9, *"Financial Instruments (Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39)"*

  The amendments require the inclusion of general hedge accounting model in the notes disclosure to the financial statements. The amendments allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss (FVPL) to be presented in the other comprehensive income (OCI).

  These amendments are not applicable to the Company and expected not to have an impact on the financial statements.

Material Accounting Policies

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification. An asset is current if:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities, if any, are classified as noncurrent assets and liabilities.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

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

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

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

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

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

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

Financial Instruments
Financial instrument is any contract that gives rise to a financial asset of one entity or a financial liability or equity instrument of another entity.

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

"Day 1" Difference
Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Financial Assets

Initial Recognition
Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

Classification
The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Company's business model for managing the asset and its contractual cash flow characteristics.

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if both of the following are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2023 and 2022, the Company's cash, receivables and deposits are classified under this category.

Debt Instruments at FVOCI
For debt instruments that are not designated at FVPL under the fair value option, the financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are classified from equity to profit or loss as a reclassification adjustment.

As at December 31, 2023 and 2022, the Company does not have debt instruments at FVOCI.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, "*Financial Instruments: Presentation*". This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2023 and 2022, the Company does not have equity instruments at FVOCI.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2023 and 2022, the Company has no financial assets at FVPL.

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

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

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

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

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

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

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

Impairment of Financial Assets at Amortized Cost and FVOCI
The Company recognizes an allowance for ECL for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For accounts receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the nonpayment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Measurement
Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

Classification and Subsequent Measurement
The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

Financial liabilities at FVPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at FVPL.

As at December 31, 2023 and 2022, the Company does not have financial liabilities at FVPL.

Financial liabilities at amortized cost
Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at December 31, 2023 and 2022, the Company's accounts and other payables (except government payables), retention payables, advances from shareholders and loans payable are classified under this category.

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

Fair Value Option
The Company may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortized cost or FVOCI to be measured at FVPL if doing so would eliminate or significantly reduce an accounting mismatch or otherwise results in more relevant information.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Inventories
Inventories is stated at the lower of cost and net realizable value. The net realizable value of inventories are the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of inventories is the current replacement cost. Cost is calculated using the first-in first-out (FIFO) method.

Advances to Contractors
Advances to contractors are downpayments paid to contractors. These are carried at face amount in the statements of financial position and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings.

Prepayments and Other Current Assets

Advances to Suppliers
Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at face amount in the statements of financial position and are recognized to appropriate asset account or in profit or loss when the services or materials for which the advances were made are received and delivered.

Input VAT
Input VAT represents value-added tax (VAT) paid to suppliers that can be claimed as credit against the Company's VAT liabilities.

Prepaid Tax
Prepaid tax represents advance payment of real property tax but not yet incurred. This is measured at cost less amortization.

Property and Equipment
Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and accumulated provision for any impairment in value, if any.

The initial cost of property and equipment comprises its purchase price and other costs directly attributable in bringing the assets to its working condition and location for its intended use. Expenditures incurred after the property have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. In situations when it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance and the cost of such item can be measured reliably, the expenditures are capitalized as an additional cost of the said property and equipment.

Land is stated at cost less impairment in value, if any.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Property and Equipment	No. of years
Medical equipment, tools and instruments	10
Hospital furnishings, fixtures and office equipment	5
Transportation equipment	10
Computerization	3
Leasehold improvements	5

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property.

Construction in progress represents structures under constructions and is stated at cost (includes cost of construction, machinery and equipment under installation and other related costs). Construction in progress is not depreciated until such time as the relevant assets are completed and ready for its intended use.

The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

Inventories, property and equipment, advances to contractors, and prepayments and other curernt assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment losses are recognized in the statements of comprehensive income.

Recovery of impairment loss recognized in prior years is recorded on nonfinancial asset when there is an indication that the impairment loss recognized for the asset no longer exists or has decreased. The recovery is recorded in the statements of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

Equity

Share Capital

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

The share capital is classified into founders' share and common share.

Additional Paid-in Capital
Proceeds and/or fair value considerations received in excess of par value.

Deficit
Deficit includes all current and prior period results of operations as disclosed in the statements of comprehensive income.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

Patient Revenues
Patient revenue comprises the fair value of the consideration received or receivable from the sale of services in the ordinary course of the Company's activities, net of VAT (if applicable) and discounts.

The Company often provides discounts and free services to underprivileged patients, senior citizens and its employees. Discounts and free services are presented within "Discounts and free services" and deducted from gross revenue in statements of comprehensive income.

The Company classifies the patient revenues as in-patient, out-patient and emergency services.

In-patient, out-patient and emergency revenues are exempted from VAT, except for the sale of drugs and medicines arising from out-patient activities which are considered vatable transactions pursuant to the relevant provisions of the Consolidated Value-Added Tax Regulations of 2005 (Revenue Regulations 16-2005).

Patient revenues are recognized in the period when the services are rendered or when the Company has delivered to the patient and the patient has accepted the products. In-patient, out-patient and emergency medical procedures are generally completed in a very short span of time and charges are captured and billed as of close of day. By the nature of the services, no material performance obligation will remain uncompleted at each reporting period end, and thus, measuring the progress of the performance obligation is not considered necessary.

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

Other Income
Income from other services are recognized when rendered and when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

Cost and Expenses
Costs and expenses are recognized in the statements of comprehensive income upon utilization of goods and/or service or at the date these are incurred.

Short-term Employee Benefits
Short-term employee benefits are employee benefits which fall due within twelve months after the end of the period in which the employees render the related service. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company include salaries and wages, social security contributions, short-term compensated absences, profit sharing and bonuses, and non monetary benefits. Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the statements of financial position date. These are included in salaries and wages account at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

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

Leases
The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has the following:

- the contract involves an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. The Company has the right to direct the use of the asset of either:

  a. the Company has the right to operate the asset; or
  b. the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Short-term Leases and Leases of Low-Value Assets
The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Taxes

Current Income Tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

Deferred Income Tax
Deferred income tax is provided using the liability method on temporary differences at the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused net operating loss carry-over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefit of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Related Parties
A party is considered to be related to the Company if it has the ability, directly or indirectly through one or more intermediaries, to control, is controlled by, or is under common control with, the Company; or exercises significant influence over the Company in making financial and operating decisions; or has a joint control over the Company. It is also related to the Company if a party is an associate, a joint venture in which the Company is a venturer, a member of the key management personnel of the Company or its parent, a close member of the family of Company's related party, an entity controlled, jointly controlled or significantly influenced by a key management personnel of the Company or close member of the family of Company's related party, and a post-employment benefit plan for the benefit of employees of the Company or its related party. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to nonrelated parties.

Provisions
Provisions are recognized when the Company has present obligations, legal or constructive, as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income, net of any reimbursements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

Contingencies
Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Loss Per Share
Basic loss per share is calculated by dividing the net loss (less preferred dividends net of tax, if any) for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Events After the Reporting Period
Post year-end events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

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

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

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

Classification of Financial Instruments
The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or OCI.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Determining whether an Agreement Contains a Lease
The Company uses its judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement at inception date and makes assessment whether the arrangement is dependent on the use of a specific asset or assets, the arrangement conveys a right to use the asset and the arrangement transfers substantially all the risks and rewards incidental to ownership to the Company.

Operating Lease
The Company has entered into lease arrangements either as a lessor or as a lessee. In determining whether all significant risks and rewards of ownership remain with the lessor or transferred to the lessee, the following factors are considered:

a. the ownership of the asset does not transfer at the end of the lease term;

b. there is no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;
c. the lease term is not for the major part of the economic life of the asset even if title is not transferred;
d. the leased assets are not of such specialized nature that only lessee can use them without major modifications.

The Company accounted for its lease arrangements as operating lease (see Note 19).

Determining the Fair Values of Financial Instruments
Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed as follows:

Assessment for ECL on Patient Receivables
The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for patient receivables. The provision matrix specifies provision rates depending on the number of days that patient receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each patient segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on patient receivables is sensitive to changes in assumptions about forecasted economic conditions.

No provision for ECL on patient receivables for the years ended December 31, 2023 and 2022. Patient receivables amounted to P2,084,528 and nil as at December 31, 2023 and 2022, respectively (see Note 5).

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

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2023 and 2022. The carrying amounts of other financial assets at amortized cost are as follows:

	2023	2022
Cash in banks	**P67,083,756**	P59,719,045
Other receivables	**–**	48,000
Deposits	**2,517,314**	–
	P69,601,070	P59,767,045

Impairment of Inventories
The Company recognizes impairment on inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The impairment is reviewed on a monthly basis to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the period.

No impairment loss on inventories was recognized for the years ended December 31, 2023 and 2022. Inventories amounted to P16,608,851 and nil as at December 31, 2023 and 2022, respectively (see Note 6).

Assessment for Impairment of Nonfinancial Assets Other than Inventories
The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

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

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

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

No impairment loss on nonfinancial assets was recognized for the years ended December 31, 2023 and 2022. The carrying amount of nonfinancial assets is as follows:

	2023	2022
Property and equipment	**P1,605,514,142**	P796,944,842
Advances to contractors	**172,873,123**	109,697,409
Prepayment and other current assets	**72,151,887**	42,025,353
	P1,850,539,152	P948,667,604

Estimating Useful Lives of Property and Equipment, Except Land
The estimated useful lives used as basis for depreciating the Company's property and equipment, excluding land, were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets.

The carrying amount of property and equipment, except land, amounted to P1,511,417,657 and P702,848,357 as at December 31, 2023 and 2022, respectively (see Note 9).

Recognition of Deferred Tax Assets
The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The management believes that the Company will not be able to realize the NOLCO in the future. The Company provided full valuation allowance on its NOLCO, thus no deferred tax asset was recognized as at December 31, 2023 and 2022.

4. Financial Risk Management Objectives and Capital Management

Financial Risk Management Objectives and Policies
The main purpose of the Company's financial instruments is to fund its operations. The Company's principal financial instruments arising from operations consist of cash, receivables, deposits, accounts and other payables, retention payables, advances from shareholders and loans payable. The main risks from the use of financial instruments are credit and liquidity risk.

The Company does not have foreign currency risk because the Company has no monetary assets and liabilities denominated in foreign currency both for 2023 and 2022.

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

Credit Risk
The Company's exposure to credit risk arises from the failure on the part of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of other financial assets at amortized cost.

The carrying amounts of financial assets at amortized costs represent its maximum credit exposure.

Patient Receivables
To measure the ECL, patient receivables of the Company have been grouped based on shared credit risk characteristics and days past due. In calculating the ECL rates, the Company considers historical data. The Company has identified the gross domestic product, consumer price index, unemployment rate and inflation rate to be the most relevant factors and accordingly adjusted the historical loss rates based on expected changes in these factors.

In determining the aging bracket of the patient receivables, management also continuously analyze the historical collection profiles of the different group of guarantors.

For individual patients and government accounts, management has assessed, based on the historical collection profile, that receivables are collected beyond agreed collection period. This resulted in generally higher ECL rates applied to outstanding receivables.

For corporate accounts, management has assessed that they are most likely to settle their obligations within the aggreed collection period based on the historical collection profile.

The Company has only started operations in December 2023 and no allowance for ECL was provided for patient receivables for the year ended December 31, 2023.

Other Financial Assets at Amortized Cost
The Company's other financial assets at amortized cost are composed of cash in banks, other receivables and deposits. The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

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

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

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

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

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

	December 31, 2023			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	**P67,083,756**	**P–**	**P–**	**P67,083,756**
Receivables from employees and officers	**572,147**	**–**	**–**	**572,147**
Deposits	**–**	**2,517,314**	**–**	**2,517,314**
	P67,655,903	**P2,517,314**	**P–**	**P70,173,217**

	December 31, 2022			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	P59,719,045	P–	P–	P59,719,045
Other receivables	48,000	–	–	48,000
	P59,767,045	P–	P–	P59,767,045

Liquidity Risk

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

To meet the Company's short-term obligations and funding for the construction of its building, the Company will call for payment of the subscription receivable from the shareholders. Also, the Company secured from Development Bank of the Philippines a credit line facility on August 19, 2020 as one of its sources in funding the construction of the hospital building.

The table below summarizes the maturity profile of the Company's financial assets and liabilities as of December 31, 2023 and 2022 based on contractual and undiscounted payments.

As at December 31, 2023

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	**P135,569,571**	**P–**	**P–**	**P–**	**P135,569,571**
Retention payable	**–**	**58,059,427**	**–**	**–**	**58,059,427**
Advances from shareholders	**–**	**186,506,357**	**–**	**–**	**186,506,357**
Loans payable	**–**	**84,616,725**	**564,111,498**	**689,672,473**	**1,338,400,696**
	P135,569,571	**P329,182,509**	**P564,111,498**	**P689,672,473**	**P1,718,536,051**

**Excluding government payables amounting to P3,185,744 as at December 31, 2023.*

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial assets:					
Cash	**P68,015,190**	**P–**	**P–**	**P–**	**P68,015,190**
Receivables	**2,656,675**	**–**	**–**	**–**	**2,656,675**
Deposits	**–**	**–**	**–**	**2,517,314**	**2,517,314**
	P70,671,865	**P–**	**P–**	**P2,517,314**	**P73,189,179**

As at December 31, 2022

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	P3,710,992	P–	P–	P–	P3,710,992
Retention payable	–	37,368,844	–	–	37,368,844
Advances from shareholders	–	36,993,090	–	–	36,993,090
Loans payable	–	–	117,000,000	468,000,000	585,000,000
	P3,710,992	P74,361,934	P117,000,000	P468,000,000	P663,072,926
Financial assets:					
Cash	P59,719,045	P–	P–	P–	P59,719,045
Receivables	48,000	–	–	–	48,000
	P59,767,045	P–	P–	P–	P59,767,045

**Excluding government payables amounting to P965,106 as at December 31, 2022.*

Fair Values of Financial Instruments
The historical cost carrying amounts of the Company's financial assets and financial liabilities, except deposits and noncurrent portion of loans payable, are all subject to normal credit terms, and are short-term in nature, and approximate their fair values. Details are as follows:

	2023	2022
Financial assets:		
Cash	**P68,015,190**	P59,719,045
Accounts and other receivables	**2,656,675**	48,000
Deposits	**2,517,314**	–
	P73,189,179	P59,767,045
Financial liabilities:		
Accounts and other payables*	**P135,569,571**	P3,710,992
Retention payable	**58,059,427**	37,368,844
Advances from shareholders	**186,506,357**	36,993,090
Loans payable	**1,338,400,696**	585,000,000
	P1,718,536,051	P663,072,926

**Excluding government payables amounting to P3,185,744 and P965,106 as at December 31, 2023 and 2022, respectively.*

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

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and 2022.

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

	2023	2022	2021
Share capital	**P215,060,000**	P215,060,000	P193,837,000
Additional paid in capital	**228,858,000**	200,217,500	140,972,000
Deficit	**(225,302,613)**	(70,880,883)	(53,448,520)
	P218,615,387	P344,396,617	P281,360,480

5. Receivables

This account consists of:

	2023	2022
Patient receivables	**P2,084,528**	P–
Receivables from employees and officers	**572,147**	–
Other receivables	**–**	48,000
	P2,656,675	P48,000

Patient receivables arise from healthcare, accommodation and other ancillary services which are generally on a 15-60-day credit term.

Receivables from employees and officers pertain to non interest-bearing cash advances which are settled through liquidation.

There is no concentration of credit risk with respect to patient receivables.

6. Inventories

This account consists of:

	2023	2022
Pharmaceutical products	**P10,803,368**	P–
Laboratory and other hospital supplies	**5,805,483**	–
	P16,608,851	P–

The cost of inventories recognized as expense and included in the cost of services amounted to P14,458,139 in 2023.

7. Advances to Contractors

Advances to contractor represents advances for awarded project activity and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings.

Advances to contractors amounted P172,873,123 and P109,697,409 as at December 31, 2023 and 2022, respectively.

8. Prepayments and Other Current Assets

This account consists of:

	2023	2022
Advances to suppliers	**P67,546,320**	P41,961,083
Input VAT	**4,605,567**	–
Prepaid tax	**–**	64,270
	P72,151,887	P42,025,353

Advances to suppliers represents advance payment of medical equipment and furniture, and software that are not yet delivered.

9. Property and Equipment

This account consists of:

	2022	Additions	Disposal	**2023**
Cost:				
Land	P94,096,485	P–	P–	**P94,096,485**
Construction in progress	702,384,661	390,449,358	–	**1,092,834,019**
Medical equipment, tools and instruments	–	354,559,924	–	**354,559,924**
Hospital furnishings, fixtures and office equipment	1,053,893	60,455,207	–	**61,509,100**
Transportation equipment	–	4,474,826	–	**4,474,826**
Computerization	–	3,208,600	–	**3,208,600**
Leasehold improvements	58,107	–	58,107	**–**
	797,593,146	813,147,915	58,107	**1,610,682,954**
Accumulated depreciation:				
Medical equipment, tools and instruments	–	2,954,666	–	**2,954,666**
Hospital furnishings, fixtures and office equipment	591,165	1,496,563	–	**2,087,728**
Transportation equipment	–	37,290	–	**37,290**
Computerization	–	89,128	–	**89,128**
Leasehold improvements	57,139	968	58,107	**–**
	648,304	4,578,615	58,107	**5,168,812**
Net book value	P796,944,842			**P1,605,514,142**

	2021	Additions	Disposal	2022
Cost:				
Land	P94,096,485	P–	P–	P94,096,485
Construction in progress	409,611,040	292,773,621	–	702,384,661
Hospital furnishings, fixtures and office equipment	751,835	302,058	–	1,053,893
Leasehold improvements	58,107	–	–	58,107
	504,517,467	293,075,679	–	797,593,146
Accumulated depreciation:				
Hospital furnishings, fixtures and office equipment	410,394	180,771	–	591,165
Leasehold improvements	45,517	11,622	–	57,139
	455,911	192,393	–	648,304
Net book value	P504,061,556			P796,944,842

The depreciation of property and equipment are charged to the following:

	2023	2022
Cost of services (Note 16)	**P3,241,929**	P–
General and administrative expenses (Note 17)	**1,336,686**	192,393
	P4,578,615	P192,393

Land pertains to properties located in Kalibo, Aklan with a total area of 9,500 square meters, where its hospital building is being constructed.

Construction in progress pertains to building under construction to be used as hospital upon completion.

Beginning 2019, the Company entered into contracts with various contractors and suppliers for the construction of its hospital building.

As at December 31, 2023, total estimated cost to complete the hospital building amounted to P1.2 billion, and construction is estimated to be completed by the second quarter of 2024.

As certified by construction managers, the estimated percentages of completion as at December 31, 2023 are as follows:

Description	Progress Report
Civil structural works	100.00%
Site development and auxiliary structures	100.00%
Perimeter fence and road networks	100.00%
Electronics and auxiliary works	99.00%
Mechanical works	97.72%
Glass works, aluminum, ACP	96.02%
Electrical works	92.03%
Plumbing works	90.67%
Owner supplied materials	90.00%
Fire protection works	89.87%
Architectural and fit out works	81.36%
Medical gas	70.13%
Loose furniture	50.00%

Overall percentage of completion of the hospital building is at 94.19% as at December 31, 2023.

On November 15, 2021, the Company entered into a Mortgage Agreement with Development Bank of the Philippines (DBP) for loan and credit accommodations to finance the construction of the hospital building and acquisition of medical instruments, furniture and appliances. The Mortgage Agreement is secured by the land together with the building and improvements now existing or which may thereafter exist thereon.

The terms and conditions of the Mortgage Agreement were as follows:
a) keep the mortgaged property in good condition;
b) pay on time the lawful taxes and assessments of the mortgaged property;
c) insure the mortgaged property;
d) the Company shall not transfer, lease, mortgage or encumber the property, or demolish or make any alteration without first obtaining the Mortgagee's written consent.

The carrying amount of the mortgaged property amounted to P1,602,999,528 as at December 31, 2023.

There were no amount of compensations received from any third parties for items of property and equipment that were impaired, lost or given up.

10. Deposits

Deposits represent refundable deposits from service providers of utilities amounting to P2,517,314 and nil as at December 31, 2023 and 2022, respectively.

11. Accounts and Other Payables

This account consists of:

	2023	2022
Accounts payable	**P135,554,363**	P1,138,387
SSS/PHIC/HDMF contributions and loans payable	**1,620,795**	–
Withholding tax payable	**1,564,949**	965,106
Other payables	**15,208**	2,572,605
	P138,755,315	P4,676,098

Other payables pertain to unpaid professional fees and other expenses incurred but not yet paid as at December 31, 2023 and 2022.

12. Retention Payable

Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. The amount will be released to the contractor, net of deductions, if any, upon full completion and final acceptance by the Company.

Retention payable amounted P58,059,427 and P37,368,844 as at December 31, 2023 and 2022, respectively.

13. Loans Payable

		2023	2022
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable on or before November 29, 2033. The effective interest rate ranges 4.50% to 8.00% per annum. All loans are secured by the Company's land together with the building and improvements now existing or which may thereafter exist thereon (see Note 9). The loan proceeds were used to finance the construction of the hospital building.	**P950,000,000**	P585,000,000
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable on or before February 10, 2033. The effective interest rate ranges from 6.40% to 8.70% per annum. All loans are secured by the Company's land together with the building and improvements now existing or which may thereafter exist thereon (see Note 9). The loan proceeds were used to finance the hospital machinery and equipment.	**331,400,696**	–
Phil Pharmawealth, Inc.	Short-term loans payable after one month from execution of the loan agreement and bearing an interest ranges from 4.50% to 8.50% per annum. The loan proceed was used to finance the construction of the hospital building and pay-off advances used as bridge financing to construction.	**47,000,000**	–
Aklan Zion Ventures Inc.	Short-term loans payable after one month from execution of the loan agreement and bearing an interest of 8.50% per annum. The loan proceed was used to finance the construction of the hospital building and pay-off advances used as bridge financing to construction.	**10,000,000**	–
Total		**1,338,400,696**	585,000,000
Less current portion		**84,616,725**	–
		P1,253,783,971	P585,000,000

Borrowing costs incurred from the loan related to construction of hospital building were capitalized as part of the construction in progress amounted to P56,634,529 and P20,368,517 in 2023 and 2022, respectively.

Borrowing costs incurred from the loan amounted to P17,414,705 in 2023, charged as finance cost in the statements of comperehensive income.

14. Share Capital

This account consists of:

	2023	2022	2021
Authorized share capital			
600 founders' shares at P1,000 par value	**P600,000**	P600,000	P600,000
239,400 common shares at P1,000 par value	**239,400,000**	239,400,000	239,400,000
	P240,000,000	P240,000,000	P240,000,000
Subscribed			
600 founders' shares at P1,000 par value	**P600,000**	P600,000	P600,000
Balance at beginning – 214,460 common shares in 2023, 209,800 common shares in 2022 and 203,980 common shares in 2021	**214,460,000**	209,800,000	203,980,000
Current year subscription – 4,660 common shares in 2022 and 5,280 common shares in 2021	**–**	4,660,000	5,820,000
Balance at end of year – 214,460 common shares in 2023 and 2022 and 209,800 common shares in 2021	**214,460,000**	214,460,000	209,800,000
Less subscription receivable	**–**	–	(16,563,000)
	214,460,000	214,460,000	193,237,000
	P215,060,000	P215,060,000	P193,837,000

On January 26, 2021, the Company applied with the SEC for the registration of its 35,420 common shares to be sold at 10 shares per block which is equivalent to 3,542 blocks. The application was approved on June 24, 2021.

Below are the details of registered common shares:

Date of Registration	Number of Blocks Licensed*	Issue/Offer Price Per Block
June 24, 2021	1,942	P250,000
June 24, 2021	1,200	300,000
June 24, 2021	400	350,000

**10 shares per block*

The founders' share has the exclusive right to vote and be voted upon in the election of directors for a limited period not to exceed five (5) years.

15. Gross Revenues

This account consists of:

	2023	2022	2021
In-patient and out-patient	P7,750,984	P–	P–
Pharmacy	1,445,662	–	–
Emergency	426,538	–	–
	P9,623,184	P–	P–

The Company's revenue substantially comprises of services whose revenues are recognized over time within the fulfillment of services which is one (1) day for emergency and out-patient services and an average of six (6) days for in-patient services.

16. Cost of Services

This account consists of:

	2023	2022	2021
Drugs, medicines and supplies	P14,458,139	P–	P–
Salaries and wages	5,698,968	–	–
Depreciation (Note 9)	3,241,929	–	–
Professional fees	1,762,624	–	–
Utilities	1,024,733	–	–
SSS/PHIC/HDMF contributions	725,325	–	–
	P26,911,718	P–	P–

17. General and Administrative Expenses

This account consists of:

	2023	2022	2021
Salaries and wages (Note 20)	**P78,096,823**	P9,329,976	P6,970,050
Taxes and licenses	**10,346,173**	3,077,629	10,131,599
Utilities	**8,428,131**	59,828	48,755
SSS/PHIC/HDMF contributions	**7,545,708**	43,088	27,660
Trainings and seminars	**3,135,027**	38,475	30,000
Fuel and oil	**1,797,826**	–	–
Insurance	**1,551,974**	–	–
Honorarium (Note 20)	**1,461,000**	3,444,200	4,800,000
Meetings and conferences	**1,392,225**	127,606	41,609
Depreciation (Note 9)	**1,336,686**	192,393	156,069
Professional fees	**1,213,582**	557,650	1,511,184
Outside services	**1,171,847**	62,780	84,910
Advertising	**637,850**	55,930	46,980
Subscription	**317,022**	–	–
Transportation and travel	**306,297**	21,031	96,879
Representation	**218,522**	–	–
Rent (Notes 19 and 20)	**180,000**	144,000	144,000
Repairs and maintenance	**68,423**	–	10,610
Office supplies	**43,704**	119,946	111,977
Donation	**–**	16,300	8,000
Marketing	**–**	–	35,416
Miscellaneous	**569,715**	216,295	386,619
	P119,818,535	P17,507,127	P24,642,317

18. Other Income

This account consists of:

	2023	2022	2021
Canteen	**P271,668**	P–	P–
Interest income	**38,996**	74,764	24,357
Others	**913**	–	–
	P311,577	P74,764	P24,357

19. Lease Agreement

The Company entered into a contract of lease with a shareholder, where its office space is located. The office space is a temporary office leased to the Company, commencing on February 28, 2018. The Company pays monthly rent of P12,000. The lease contract was terminated in October 2023.

Rent expense charged to operations amounted to P180,000 in 2023 and P144,000 in 2022 and 2021 (see Note 17).

As at December 31, 2023, 2022 and 2021, the Company has no outstanding commitments under non-cancellable operating leases.

20. Related Party Disclosures

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise and its key management personnel, directors, or its shareholders.

In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related parties may be individuals or corporate entities.

The following are the details of related party transactions:

	Year	Classification	Terms and conditions	Amount of the Transaction	Outstanding Balance
Shareholders	**2023**	Advances from shareholders	Unsecured, unguaranteed, noninterest-bearing, without definite call dates, and payable in cash or thru debt-equity conversion or future availment of stock rights or option arrangement	**P149,513,267**	**P186,506,357**
	2022			(16,018,274)	36,993,090
	2021			(68,320,354)	53,011,364
APMC - Bacolod	**2023**	Loans payable	Unsecured, interest-bearing, payable in installment.	**15,000,000**	**–**
	2022			–	–
	2021			40,000,000	–
APMC - Bacolod	**2023**	Borrowing costs		**265,882**	**–**
	2022			–	–
	2021			180,822	–
Phil Pharmawealth, Inc.	**2023**	Loans payable (Note 13)	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	**173,010,889**	**47,000,000**
	2022			–	–
	2021			50,000,000	50,000,000
Phil Pharmawealth,	**2023**	Borrowing costs		**4,925,757**	**–**
Aklan Zion Ventures, Inc.	**2023**	Loans payable (Note 13)	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	**10,000,000**	**10,000,000**
Aklan Zion Ventures, Inc.	**2023**	Borrowing costs		**83,836**	**–**
Shareholder	**2023**	Rent (Notes 17 and 18)	Unsecured, noninterest-bearing, payable monthly	**180,000**	**–**
	2022			144,000	–
	2021			144,000	–

The following are other relevant related party disclosures:

Identification	Relationship	Business Purpose of Arrangement	Commitments
Shareholders	Shareholder	Advances from shareholders in support for the Company's hospital building construction requirements.	Acknowledgement receipt
APMC - Bacolod	Other related party	Loans from other related party as support for the construction of Company's hospital building.	Loan agreement
Phil Pharmawealth, Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances	Loan agreement
Aklan Zion Ventures, Inc.	Other related party	Loans from other related party as support for the construction of Company's hospital building and pay-off advances	Loan agreement
Shareholder	Shareholder	The shareholder leased a temporary office space to the Company.	Lease contract (Note 13)

Compensation of Key Management Personnel

The summary of compensation of key management personnel of the Company are as follows:

	2023	2022	2021
Honorarium	**P1,461,000**	P3,444,200	4,800,000
Salaries and wages	**7,306,480**	8,731,884	6,201,500
	P8,767,480	P12,176,084	P11,001,500

21. Income Tax

The following are the computations of regular corporate income tax:

	2023	2022	2021
Loss before income tax	**(P154,421,730)**	(P17,432,363)	(P24,617,960)
Add (deduct) permanent differences on:			
Nondeductible representation	**121,680**	–	–
Nondeductible finance costs	**9,749**	–	–
Interest income subjected to final tax	**(38,996)**	(74,764)	(24,357)
Taxable loss	**(P154,329,297)**	(P17,507,127)	(P24,642,317)
Tax due at 25%	**P–**	P–	P–

The following are the computations of MCIT:

	2023	2022	2021
Net revenues	**P9,411,651**	P–	P–
Cost of services	**(26,911,718)**	–	–
Loss	**(17,500,067)**	–	–
Other income	**272,581**	–	–
Taxable loss	**(P17,227,486)**	P–	P–
Tax due at 1.5% in 2023 and 1% in 2022 and 2021	**P–**	P–	P–

The reconciliation of the tax computed at statutory tax rate to benefit from income tax follow:

	2023	2022	2021
Tax at applicable statutory income tax rate	**(P38,605,433)**	(P4,358,091)	(P6,154,490)
Adjustments for:			
Nondeductible representation	**30,420**	–	–
Nondeductible finance costs	**2,437**	–	–
Interest income subjected to final tax	**(9,748)**	(18,691)	(6,089)
Unrecognized deferred tax asset	**38,582,324**	4,376,782	6,160,579
	P–	P–	P–

As at December 31, 2023, the Company has NOLCO for taxable years 2023 and 2022 which can be carried forward as a deduction for the next three consecutive taxable years immediately following the year of such loss, under certain conditions, as provided under Section 34(D) of the Tax Code. Details are as follows:

Dates Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Dates
December 31, 2023	P154,329,297	P–	P154,329,297	2026
December 31, 2022	17,507,127	–	17,507,127	2025
	P171,836,424	P–	P171,836,424	

As at December 31, 2023, the Company has NOLCO in taxable years 2021 and 2020 which can be carried forward as a deduction for the next five consecutive taxable years immediately following the year of such loss, pursuant to the Bayanihan to Recover As One Act. Details are as follows:

Dates Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Date
December 31, 2021	P24,642,317	P–	P24,642,317	2026
December 31, 2020	10,637,799	–	10,637,799	2025
	P35,280,116	P–	P35,280,116	

The management believes that the Company will not be able to realize the NOLCO in the future. The Company provided full valuation allowance on its NOLCO, thus no deferred tax asset was set up.

22. Loss Per Share

Basic loss per share is computed as follows:

	2023	2022	2021
Net loss	**(P154,421,730)**	(P17,432,363)	(P24,617,960)
Weighted average number of shares outstanding	**215,060**	215,060	204,580
Basic loss per share	**(P718.04)**	(P81.06)	(P120.33)

There were no common stock equivalents outstanding that would require calculation of diluted earnings per share.

23. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities:

	2022	Cash flows	Noncash financing information	2023
Advances from shareholders	P36,993,090	P149,513,267	P–	**P186,506,357**
Loans payable	585,000,000	753,400,696	–	**1,338,400,696**
	P621,993,090	P902,913,963	P–	**P1,524,907,053**

	2021	Cash flows	Noncash financing information	2022
Advances from shareholders	P53,011,364	(P16,018,274)	P–	P36,993,090
Loans payable	245,000,000	340,000,000	–	585,000,000
	P298,011,364	P323,981,726	P–	P621,993,090

	2020	Cash flows	Noncash financing information	2021
Advances from shareholders	P121,331,718	(P68,320,354)	P–	P53,011,364
Loans payable	–	245,000,000	–	245,000,000
	P121,331,718	P176,679,646	P–	P298,011,364

24. Events After the End of the Reporting Period

No events occurred between the statements of financial position date and the date on which these financial statements were approved by the Company's Board of Directors that would require adjustments to or disclosure in the financial statements.

25. Reclassification of Account

The following accounts in December 31, 2022 have been reclassified to conform with the December 31, 2023 financial statement presentation:

Reclassified From	Reclassified To	Amount
Advances to suppliers (presented under current assets)	Advances to suppliers (under prepayments and other current assets)	P41,961,083
Prepaid tax (presented under current assets)	Prepaid tax (under prepayments and other current assets)	64,270
Office equipment, furniture and fixtures (under property and equipment)	Hospital furnishings, fixtures and office equipment (under property and equipment)	462,728

26. Supplemental Information Required Under Revenue Regulations 15-2010 and 19-2011

Revenue Regulation 15-2010

On November 25, 2010, the BIR issued Revenue Regulation (RR) 15-2010, which requires certain information on taxes, duties and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. These supplemental information, which are additions to the disclosures required under PFRS, are presented as follows:

VAT Output Tax

The amount of VAT output claimed are as follows:

	2023	2022	2021
Vatable sales	P7,254,659	P–	P–
Rate	12%	12%	12%
VAT output declared	P870,559	P–	P–
Exempt sales	P734,051	P–	P–

VAT Input Tax

The amount of VAT input claimed are as follows:

	2023	2022	2021
Balance at beginning of period	P–	P–	P–
Current year domestic purchases/payments and importations for:			
Services	1,455,773	–	–
Capital goods exceeding P1 million	3,912,390	–	–
Capital goods not exceeding P1 million	107,963	–	–
Total available input tax	5,476,126	–	–
Less application against VAT output	870,559	–	–
Balance at end of year	P4,605,567	P–	P–

Taxes on Importation

The Company does not have importation, hence no customs duties in 2023, 2022 and 2021.

Excise Tax

The Company does not have excise tax in 2023, 2022 and 2021 since it does not have any transactions which are subject to excise tax.

Documentary Stamp Tax

The Company paid documentary stamp tax (DST) in 2023, 2022 and 2021 amounting to P8,118,355, P2,985,300 and P5,507,420, respectively, for issuance of share capital and availment of loan.

Taxes and Licenses

The details of taxes and licenses included in expenses are as follows:

	2023	2022	2021
Documentary stamp tax	**P8,118,355**	P2,985,300	P5,507,420
Land registration authority	**745,066**	–	4,546,527
DOH license to operate	**165,295**	–	–
Real property tax	**64,270**	72,304	64,270
SEC filing fees	**18,944**	20,025	3,515
Business permits	**15,651**	–	–
Others	**1,218,592**	–	9,867
	P10,346,173	P3,077,629	P10,131,599

Withholding Taxes

The following are the amounts of withholding taxes:

	2023	2022	2021
Creditable – at source	**P10,681,605**	P5,775,188	P4,518,281
Withholding taxes on compensation	**831,139**	1,176,350	1,057,335
	P11,512,744	P6,951,538	P5,575,616

Deficiency Tax Assessment

The Company does not have any deficiency tax assessments with BIR or tax cases outstanding or pending in courts or bodies outside of the BIR as of December 31, 2023, 2022 and 2021.

Revenue Regulation 19-2011

Revenue Regulation No. 19-2011 was issued to prescribe the new BIR forms that will be used for Income Tax filing covering and starting with December 31, 2011, and to modify Revenue Memorandum Circular No. 57-2011 dated November 25, 2011.

The following are the schedules prescribed under existing revenue issuances applicable to the Company as of December 31, 2023:

Revenue

	Exempt	RCIT
In-patient and out-patient	P–	P7,750,984
Pharmacy	–	1,445,662
Emergency	–	426,538
Discounts and free services	–	(211,533)
	P–	P9,411,651

Cost of Services

	Exempt	RCIT
Drugs, medicines and supplies	P–	P14,458,139
Salaries and wages	–	5,698,968
Depreciation	–	3,241,929
Professional fees	–	1,762,624
Utilities	–	1,024,733
SSS/PHIC/HDMF contributions	–	725,325
	P–	P26,911,718

Non-operating and Taxable Other Income

	Exempt	RCIT
Canteen	P–	P271,668
Others	–	913
	P–	P272,581

Itemized Deductions

Details of the Company's itemized deductions for the year are as follows:

	Exempt	RCIT
Salaries and wages	P–	P78,096,823
Finance costs	–	17,404,956
Taxes and licenses	–	10,346,173
Utilities	–	8,428,131
SSS/PhilHealth/HDMF contributions	–	7,545,708
Trainings and seminars	–	3,135,027
Fuel and oil	–	1,797,826
Insurance	–	1,551,974
Honorarium	–	1,461,000
Meetings and conferences	–	1,392,225
Depreciation	–	1,336,686
Professional fees	–	1,213,582
Outside services	–	1,171,847
Advertising	–	637,850
Subscription	–	317,022
Transportation and travel	–	306,297
Rent	–	180,000
Representation	–	96,842
Repairs and maintenance	–	68,423
Office supplies	–	43,704
Miscellaneous	–	569,715
	P–	P137,101,811

Taxes and Licenses

Taxes, fees and charges presented as part of "Genereal and Administrative Expenses" account in the Company's statements of comprehensive income include the following:

	Exempt	RCIT
Documentary stamp tax	P–	P8,118,355
Land registration authority	–	745,066
DOH license to operate	–	165,295
Real property tax	–	64,270
SEC filing fees	–	18,944
Business permits	–	15,651
Others	–	1,218,592
	P–	P10,346,173

QUERIDO DIEL & CO.

Unit 501, 5th Floor, Angelus Plaza
104 V.A. Rufino Street, Legazpi Village
Makati City, 1229

T: 632 8552 6068

E: qdc.mgt@gmail.com

PRC/BOA Accreditation No. 9730
January 17, 2024, valid until
November 22, 2026

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Asia Pacific Medical Center (APMC) – Aklan Inc.
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)
Judge Martelino Road, Barangay Andagao
Kalibo, Aklan

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 28, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules required by paragraph 7, Part II of Revised Securities Regulation Code (SRC) Rule 68 (2019) (Annex 68-J), Reconciliation of Retained Earnings Available for Dividend Declaration, Map of the Relationships Between and Among the Companies in the Group, its Ultimate Parent and Co-subsidiaries, and Schedule of Financial Soundness Indicators are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised SRC Rule 68 (2019), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

For the firm: **QUERIDO DIEL & CO., CPAs**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
PRC/BOA Accreditation No. 9730/P-001
January 17, 2024, valid until November 22, 2026
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022
January 25, 2022, valid until January 24, 2025
PTR No. 10088775, January 13, 2024, Makati City

April 28, 2024

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule A – Financial Assets
December 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value based on Market Quotations at End of Reporting Period	Income Received and Accrued
Cash				
Cash in banks	Not applicable	P67,083,756	Not applicable	P38,996

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
			Not applicable				

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule C – Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Not applicable							

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule D – Long Term Debt

December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position
Term Loan	P1,338,400,696	P84,616,725	P1,253,783,971

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Schedule E – Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2023

Name of related party	Balance at Beginning of Period	Balance at End of Period
	Not applicable	

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Schedule F – Guarantees of Securities and Other Issues
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
		Not applicable		

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule G – Capital Stock

December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding under related Statement of Financial Position caption	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Founder	600	600	–	–	230	370
Common	239,400	214,460	–	–	77,970	136,490
	240,000	215,060	–	–	78,200	136,860

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
MAP OF THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES
DECEMBER 31, 2023

Not Applicable

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2023

Deficit, beginning	(P70,880,883)
Net loss during the period	(154,421,730)
DEFICIT, END	(P225,302,613)

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule of Financial Soundness Indicators

December 31, 2023 and 2022

Ratio	Formula	2023	2022
Current ratio	Current Assets / Current Liabilities	**0.71:1**	2.68:1
Acid test ratio	Current Assets – Prepayments / Current Liabilities	**0.19:1**	0.76:1
Solvency ratio	Net Income + Depreciation / Total Liabilities	**-0.09:1**	-0.03:1
Debt-to-equity ratio	Total Liabilities / Total Equity	**7.88:1**	1.93:1
Asset-to-equity ratio	Total Assets / Total Equity	**8.88:1**	2.93:1
Interest rate coverage ratio	Operating EBITDA / Net Interest	**-8.63:1**	-231.59:1
Return on assets	Net Income / Average Total Assets	**-10.47%**	-2.14%
Return on equity	Net Income / Average Total Equity	**-54.86%**	-5.57%
Net profit margin	Net Income / Total Revenue	**-1641%**	0%
Operating EBITDA margin	Operating EBITDA / Net Revenue	**-1593%**	0%

ANNEX B

ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC.

2023 17-C Submissions

January 31, 2023

- Postponement of the Annual Stockholders' Meeting April 23 to June 23, 2023

April 4, 2023

- Discount for Bulk Purchase of Shares of Stock

May 8, 2023

- Postponement of the Annual Stockholders' Meeting according to by-laws

June 30, 2023

- Appointment of Officers

July 25, 2023

- Postponement of the Annual Stockholders' Meeting

August 31, 2023

- Appointment of Directors and Officers

October 8, 2023

- Discount for Bulk Purchase of Shares of Stock

December 13, 2023

- Commencement of Hospital Operations