

MANAGEMENT REPORT AS OF JUNE 30, 2022

A. DESCRIPTION OF BUSINESS

Asia-Pacific Medical Center Bacolod, Inc. (formerly known as Allied Care Experts Medical Center – Bacolod Inc.) is a stock corporation duly organized and registered under the laws of the Republic of the Philippines and granted corporate existence by the Securities and Exchange Commission on 04 July 2017.

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

To support the construction of its first project, the company applied for a secondary license for the issuance of securities. It was issued its Permit to Offer Securities on 28 March 2022 thru SEC MSRD Order No. 27 Series of 2022.

As of May 31, 2022, the total percentage of completion of the construction of the multi-disciplinary hospital constructed by the Company is 18.053 %.

It is the mission of Asia-Pacific Medical Center Bacolod, Inc. to set up a Level 2 Health Care facility with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and justifiable medical and dental services to its clients and stakeholders.

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

Asia-Pacific Medical Center Bacolod, Inc. will be a 7-storey 248-bed capacity hospital with 1 basement parking area with total floor area of 38,084.03sq.m. constructed in a 10,000 sq.m. property located at Lacson St., Brgy. Bata, Bacolod City, Negros Occidental. It will provide services to residents of Bacolod City, nearby Barangays and Municipalities, the whole of Negros and the neighboring provinces which are considered its catchment areas. APMC Bacolod will be a multidisciplinary facility that will house medical and dental specialists who are subscribers to the capital stock of the Corporation. The intended and considered markets for its shares are mostly specialists and individuals who are related to these specialists.

The issuer belongs to the industry which caters to the need of the public and medical, surgical and dental specialist for hospital facilities. There are no recognized trends within such industry. The geographic area of competition is in Bacolod City wherein the following Hospitals are

operating: Riverside Medical Center, Bacolod Adventist Medical Center, The Doctors' Hospital Inc., Corazon Locsin Montelibano Memorial Regional Hospital, South Bacolod General Hospital, Metro Bacolod Hospital Medical Center, and Bacolod Queen of Mercy Hospital.

| NAME OF HOSPITAL | ADDRESS | BED CAPACITY | CATEGORY | LEVEL OF CLASSIFICATION |
|---|--|---------------------|-----------------|--------------------------------|
| Riverside Medical Center Inc. | B.S. Aquino Drive Bacolod City, 6100 Philippines | 300 | Private | 3 |
| Bacolod Adventist Medical Center | C.V. Ramos St, Barangay Taculing, Bacolod, 6100 Negros Occidental | 170 | Private | 3 |
| The Doctors' Hospital Inc. | B.S. Aquino Drive, Bacolod, 6100 Negros Occidental | 169 | Private | 3 |
| Corazon Lacson Montelibano Memorial Regional Hospital | Lacson St, Bacolod, 6100 Negros Occidental | 1000 | Public | 3 |
| South Bacolod General Hospital | Araneta Ave, Bacolod, Negros Occidental | 100 | Private | 2 |
| Metro Bacolod Hospital Medical Center | Burgos St, Bacolod, 6100 Negros Occidental | 110 | Private | 2 |
| Bacolod Queen of Mercy Hospital | Eroreco, Mandalagan, Bacolod City, 6100 Negros Occidental | 200 | Private | 2 |

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

The company is primarily owned and managed by doctor specialists who have established medical practice in 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 signifies their commitment to the hospital is very significant.

The company places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Infertility Center, Wellness and Aesthetic Center, Eye Center, Oncology Center and Transfusion Unit, Cardiovascular and Pulmonary Center, Kidney Transplant Center and among other services, the hospital is preparing to build a Neuro-laboratory and Nutrition and Dietetics.

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

Suppliers and Major Contractors

APMC Bacolod, Inc. has entered into supply contracts with INOVADIS Inc. for deformed steel bars and PEB Steel Buildings Co., Ltd. For pre-engineered steel. Purchase and Supply Agreement with Prime Powers Industrial Electric Corporation for the supply of electrical materials and provider of installation services

APMC Bacolod, Inc. also has executed Service Contract with the following providers: UNITAN Construction & Development Corporation as the General Contractor; DND Atelier Inc. for Architectural Design, Interior Design and MEPFS Bid Management; Bureau Veritas S.A. as the Project Management Team, Domber Security Agency, Inc. for the security manpower, and Sophils General Merchandise (Pure 03 Philippines) for the Sewage Treatment Plant Design, Supply and Construction.

Transactions with and/or Dependence on Related Parties

The company has entered into a Memorandum of Agreement for the granting of discounts to its stockholders with Asia Pacific Medical Center- Iloilo Inc. and Asia Pacific Medical Center Aklan Inc.

The availment of the discounts and other privileges is subject to the internal policy of the aforementioned hospitals without prejudice to the financial position of the referral hospital.

The company 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 company's financial performance.

B. SECURITIES OF THE REGISTRANT

Market Price

The company markets and offers the securities through hospital employees who are well versed with Hospital operations who have been designated as salesmen⁵. These organic employees are well aware of the mission and vision of the hospital and are accustomed with hospital operations. Management believes that the strategic location of the hospital, the facilities and the services it will provide, and the people behind the hospital, are sufficient to entice medical and dental specialists and prospective investors to consider the offer. ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC. will greatly rely on these organic salesmen and satisfied patients to spread the word about the facilities the hospital can offer.

Asia-Pacific Medical Center Bacolod, Inc. (formerly known as Allied Care Experts Medical Center – Bacolod Inc.) is offering 3,600 blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts.

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

The breakdown of the Offer Price is presented as follows:

| Series of Commons Shares | Number of Blocks | Maximum Proposed Selling Price per Block |
|-----------------------------|------------------|---|
| 1 st | 2,400 Blocks | ₱250,000 per block |
| 2 nd | 800 Blocks | ₱300,000 per block |
| 3 rd | 400 Blocks | ₱400,000 per block |

Fifty-Five (55) blocks of the first series had been sold at the price of Php 250,000.00 per block as of June 30, 2022. The second series of Eight Hundred (800) blocks and the third series of Four Hundred (400) blocks will be sold thereafter. The offered shares are not listed in the Exchange and are issued over the counter only through the Company's employees, acting as sales persons as reflected in its Registration Statement.

Holders

There are approximately Thirty-Five (35) holders of Founder Shares and Eighty-Seven (87) holders of Common Shares of the company as of June 30, 2022.

Dr. Ferjenel G. Biron is the only record and/or beneficial owner of more than 5% of any class of registrant's voting securities as of June 30, 2022.

| Class | Names / Address of Record Owner | Name of Beneficial Owner/Relationship with Record Owner | Citizenship | Number of Shares Held | % to Total Outstanding Shares |
|-----------------------|---|--|--------------------|------------------------------|--------------------------------------|
| Common Founder | Biron, Ferjenel G. /82 Firefly cor. Butterfly St., Valle Verde VI, Pasig City | Biron, Ferjenel G. / Record Owner is also Beneficial Owner | Filipino | 66,184 128 | 32.42% |

The following founders are the top 20 stockholders of record and/or beneficial owners as of June 30, 2022:

| Class | Names / Address of Record Owner | Name of Beneficial Owner/Relationship with Record Owner | Citizenship | Number of Shares Held | % to Total Outstanding Shares |
|-----------------------|---|---|--------------------|------------------------------|--------------------------------------|
| Common Founder | Biron, Ferjenel G. /82 Firefly cor. Butterfly St., Valle Verde VI, Pasig City | Biron, Ferjenel G. / Record Owner is also Beneficial Owner | Filipino | 66,184 128 | 32.42% |
| Common Founder | Regozo, Danilo C. / 185A Brgy. Bonifacio Tanza, Iloilo City | Regozo, Danilo C. / Record Owner is also Beneficial Owner | Filipino | 5,986 20 | 2.94% |
| Common Founder | Lavalle, Amado Jr. M. / Lot 8, Block 8, Banker's Village, Tabuc Suba, Jaro, Iloilo | Lavalle, Amado Jr. M. / Record Owner is also Beneficial Owner | Filipino | 4,984 20 | 2.45% |
| Common Founder | Magbanua, Ma. Leila M. /Blk. 6, Lot 5 & 7, Via Roma St., Las Villas Subd., Bacolod City | Magbanua, Ma. Leila M. // Record Owner is also Beneficial Owner | Filipino | 4,917 16 | 2.41% |
| Common | Magallanes, Bel Manuel G. / B2, | Magallanes, Bel Manuel G. / | Filipino | 4,917 | 2.41% |

| | | | | | |
|---------------------------|--|---|----------|-------------|--------------|
| Founder | L2, Thames St., Golden River Subd., Brgy. Taculing, Bacolod City | Record Owner is also Beneficial Owner | | 14 | |
| Common Founder | Malata, Ma. Ivy V. / Cluster 1, Block 46 Lot 1, Providence Negros, Brgy. Granada, Bacolod City | Malata, Ma. Ivy V. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Pabicon, Olga H. / 102 Barcelona – Sevilla St., Ayala North Point, Talisay City | Pabicon, Olga H. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Pacete, Jimmy B. / 5 Moonstone St., City Heights Subd., Bacolod City | Pacete, Jimmy B. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Pedroza, David G. / #61 Saint Jude Avenue Doña Juliana Hts., Bacolod City | Pedroza, David G. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Tad-y, May Claire R. / #8 Geocadin St., (R. Panisa St.) Prk. Kahirum, Brgy. Mansilingan, Bacolod City | Tad-y, May Claire R. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Rodrigo, Sherwin Lowe B. / Lot 11, Block 28, Corner Yang Tee – Rio Grande Sts., Riverwalk Subd., Brgy. Vista Alegre, Bacolod City | Rodrigo, Sherwin Lowe B. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Balinas, Rhona T. / B19, L1, Plantazionne | Balinas, Rhona T. / Record Owner is also Beneficial | Filipino | 4,917 14 | 2.41% |

| | | | | | |
|---------------------------|--|---|----------|-------------|--------------|
| | Verdana Homes, Brgy. Zone 15, Talisay City | Owner | | | |
| Common Founder | Achurra, Alexander Kent T. / Unit 12A, 12 th Lacson St., Bermuda Villa Santiago Condominiums, Barangay 7, Bacolod City, Negros Occidental 6100 | Achurra, Alexander Kent T. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Villanueva, Maria Teresa D. / 2992 Gloria St., Hervias Subd., Bacolod City | Villanueva, Maria Teresa D. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Espinosa, Wendell Z. /Block 5, Lot 21, Java St., Verdana Homes – Asyana, Brgy. Zone 15, Talisay City | Espinosa, Wendell Z. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Galve, Gregorio L. / Lot 1, Blk. 4, Phase II, San Esteban Village, Brgy. Lag-Asan, Bago City | Galve, Gregorio L. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Gebusion, Anthony C. / Lot 10, Block 10, JJA Roma St., Las Villas Hervias Subd., Brgy. Villamonte, Bacolod City | Gebusion, Anthony C. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Germinal, Rodolfo Jr. F. / Block 1, Lot 2, Venus Street, Puentebella Subd. | Germinal, Rodolfo Jr. F. / Record Owner is also Beneficial | Filipino | 4,917 14 | 2.41% |

| | | | | | |
|-----------------------|---|---|----------|-------------|--------------|
| | Bacolod City | Owner | | | |
| Common Founder | Jalea, Ruel U./ KM 14 Calumangan, Bago City, Negros Occidental 6101 | Jalea, Ruel U. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |
| Common Founder | Jesena, Salve Regina S. / Blk. 28, Lot 10, Josefina St., Eoreco Subd., Brgy. Mandalagan, Bacolod City | Jesena, Salve Regina S. / Record Owner is also Beneficial Owner | Filipino | 4,917 14 | 2.41% |

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

RECENT SALE OF UNREGISTERED OR EXEMPT SECURITIES

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

C. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A) or PLAN OF OPERATION AS OF 30 JUNE 2022

Plan of Operation

The company has no revenue in the past four fiscal years because it is still in the construction phase. There were construction and engineering modifications done in the design plans of the building for pandemic preparedness and to provide more ideal services once it will be operational. The construction may have slowed down, but it has never totally stopped. The target completion date of the building will be in the second quarter of 2024.

The Company has secured three (3) term loans from the Development Bank of the Philippines on August 11, 2021. The total principal amount is One Billion Six Hundred Eighty-Eight Million Eight Hundred Thousand Pesos (P 1,688,800,000.00).

The first loan is a 13-year term loan of One Billion One Hundred Eighty-Eight Million Eight Hundred Thousand Pesos (P1,188,800,000.00) for the construction of the Main Hospital Building and its foundation.

The second loan is a 5-year term loan of One Hundred Forty-Six Million Pesos (P 146,000,000.00) for the acquisition of medical instruments, furniture and appliances.

The third is an Omnibus Facility to be available via (1) 10-year term loan with sublimit of Three Hundred Fifty-Four Million Pesos (P 354,000,000.00) and (2) Import and/or Domestic

Letter of Credit via Sight for Usance to be drawn from the proposed 10-year term loan. The intended use of this loan is for acquisition of equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OR PLAN OF OPERATION

Results of Operations (March 31, 2022 vs. March 31, 2021)

| | For the year ended | | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|--------------------|----------------|---------------------|-------|-------------------|------|
| | March 31, 2022 | March 31, 2021 | Inc (Dec) | % | 2021 | 2020 |
| Revenues | P- | P- | - | - | n/a | n/a |
| Direct costs | - | - | - | - | n/a | n/a |
| Gross profit | - | - | - | - | n/a | n/a |
| Other income | 3,175 | 258,068 | (251,718) | (98%) | n/a | n/a |
| Gross income | 3,175 | 258,068 | (251,718) | (98%) | n/a | n/a |
| General and administrative expenses | (1,687,781) | (1,632,887) | 54,894 | (3%) | n/a | n/a |
| Loss from operations | (1,684,606) | (1,374,819) | 309,787 | (23%) | n/a | n/a |
| Income tax expense | - | - | - | n/a | n/a | n/a |
| Net loss for the year | (1,684,606) | (1,374,819) | 309,787 | (23%) | n/a | n/a |
| Add (deduct) comp income (loss) | - | - | - | - | n/a | n/a |
| Net comprehensive loss for the year | (1,684,606) | (P1,374,819) | (309,787) | (23%) | n/a | n/a |

Other Income

Other income during the period March 31, 2022 is lower than March 31, 2021 by 98%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates.

General and Administrative Expenses

General and administrative expenses during March 31, 2022 is higher than on March 31, 2021 by 3%. Operating expenses increased mainly due to the professional fees and communication light and water.

Loss for the Period

Loss for the period March 31, 2022 is higher than in the same period on March 31, 2021 by 23%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

Financial Condition (March 31, 2022 and December 31, 2021)

| | As at March 31, | As at December 31, | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|---------------------|---------------------|---------------------|-----------|-------------------|-------------|
| | 2022 | 2021 | Inc (Dec) | % | 2022 | 2021 |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | P14,369,459 | P22,326,536 | (7,957,077) | (36%) | 4% | 6% |
| Receivables | 55,184,179 | 56,106,654 | (922,475) | 2% | 14% | 15% |
| Other current assets | 15,226,735 | 14,115,156 | 1,111,579 | 8% | 4% | 4% |
| | 84,780,373 | 92,548,346 | (7,767,973) | (8%) | 22% | 25% |
| Noncurrent Assets | | | | | | |
| Property and equipment (net) | 300,238,936 | 284,645,878 | 15,593,058 | 5% | 78% | 75% |
| Security deposit | 45,466 | 45,466 | - | n/a | - | - |
| | 300,284,402 | 284,691,344 | 15,593,058 | 5% | 78% | 75% |
| TOTAL ASSETS | P385,064,775 | P377,239,690 | 7,825,085 | 2% | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | | | | | | |
| Trade and other payables | P11,321,316 | P23,640,264 | (12,318,948) | (52%) | 3% | 6% |
| Income tax payable | 1,808 | 1,808 | - | n/a | - | - |
| | 11,323,124 | 23,642,072 | (12,318,948) | (52%) | 3% | 6% |
| Noncurrent Liability | | | | | | |
| Advances from shareholders | 218,218,718 | 218,218,718 | - | n/a | 57% | 58% |
| TOTAL LIABILITIES | 229,541,842 | 241,860,790 | (12,318,948) | 5% | 60% | 64% |
| Equity | | | | | | |
| Share capital | 183,707,172 | 161,878,533 | 21,828,639 | 13% | 47% | 43% |
| Deficit | (28,184,239) | (26,499,633) | (1,684,606) | (6%) | (7%) | (7%) |
| | 155,522,933 | 135,378,900 | 20,144,033 | 15% | 40% | 36% |
| TOTAL LIABILITIES AND EQUITY | P385,064,775 | P377,239,690 | 7,825,085 | 2% | 100% | 100% |

Total Assets

Total assets increased from P377.2 million to P385.1 million, a 2% increase from December 31, 2021 to March 31, 2022. The increase was primarily due to increase in property and equipment.

Cash and cash equivalents

Cash and cash equivalents decreased by P8.0 million (36%), as a result of payment of expenses for the on-going construction of hospital building.

Receivables

The receivables amounting to P55.2 million P56.1 million as of March 31, 2022 and December 31, 2021, respectively, consists mainly of advances to contractors.

Other current assets

Other current assets increased by P1.1 million (8%), due to the input VAT related to the construction of the hospital building.

Property and equipment

Property and equipment amounted to P300.2 million as of March 31, 2022, which consists mainly of the land and construction in progress of the hospital building.

Total Liabilities

Total liabilities increased by P12.3 million from December 31, 2021 to March 31, 2022. The increase was primarily due to the additional advances from shareholders.

Trade and other payables

The decrease in trade and other payables by P12.3 million was due to payment of accounts payables.

Income tax payable

In 2021, the Company will have unpaid income tax.

Advances from shareholders

The Company received advances from shareholders for the construction of the hospital building.

Equity

The 29% increase in the total equity is due to the subscription of share capital from the increase in authorized capital stock approved by the SEC on September 21, 2021. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (December 31, 2021 vs. December 31, 2020)

| | For the year ended | | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|--------------------|-------------------|---------------------|-------|-------------------|------|
| | December 31, 2021 | December 31, 2020 | Inc (Dec) | % | 2021 | 2020 |
| Revenues | P- | P- | - | - | n/a | n/a |
| Direct costs | - | - | - | - | n/a | n/a |
| Gross profit | - | - | - | - | n/a | n/a |
| Other income | 514,903 | 2,635,791 | (2,120,888) | (80%) | n/a | n/a |
| Gross income | 514,903 | 2,635,791 | (2,120,888) | (80%) | n/a | n/a |
| General and administrative expenses | (7,326,232) | (12,857,286) | (5,531,054) | (43%) | n/a | n/a |
| Loss from operations | (6,811,329) | (10,221,495) | 3,410,166 | (33%) | n/a | n/a |
| Income tax expense | (1,808) | - | 1,808 | n/a | n/a | n/a |
| Net loss for the year | (6,813,137) | (10,221,495) | 3,408,358 | (33%) | n/a | n/a |
| Add (deduct) comp income (loss) | - | - | - | - | n/a | n/a |
| Net comprehensive loss for the year | (P6,813,137) | (P10,221,495) | 3,408,358 | (33%) | n/a | n/a |

Other Income

Other income during the period December 31, 2021 is lower than December 31, 2020 by 80%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates in 2021.

General and Administrative Expenses

General and administrative expenses during December 31, 2021 are lower than December 31, 2020 by 43%. This is due to capital gains tax and increase in meetings and conferences.

Loss for the Period

Loss for the period December 31, 2021 is lower than in the same period on December 31, 2020 by 33%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

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

| | As at December | As at December | Horizontal Analysis | | Vertical Analysis | |
|---------------------------------------|---------------------|---------------------|---------------------|------------|-------------------|-------------|
| | 31, 2021 | 31, 2020 | Inc (Dec) | % | 2021 | 2020 |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | P22,326,536 | P93,666,173 | (71,339,637) | (76%) | 6% | 35% |
| Receivables | 56,106,654 | 40,513,422 | 15,593,232 | 38% | 15% | 15% |
| Other current assets | 14,115,156 | 8,333,448 | 5,781,708 | 69% | 4% | 3% |
| | 92,548,346 | 142,513,043 | (49,964,697) | (35%) | 25% | 52% |
| Noncurrent Assets | | | | | | |
| Property and equipment (net) | 284,645,878 | 128,927,826 | 155,718,052 | 121% | 75% | 48% |
| Security deposit | 45,466 | 45,000 | 466 | 1% | - | - |
| | 284,691,344 | 128,972,826 | 155,718,518 | 121% | 75% | 48% |
| TOTAL ASSETS | P377,239,690 | P271,485,869 | 105,753,821 | 39% | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | | | | | | |
| Trade and other payables | P23,640,264 | P17,926,211 | 5,714,053 | 32% | 6% | 7% |
| Income tax payable | 1,808 | - | 1,808 | n/a | - | - |
| Deposit for future share subscription | - | 27,000,000 | (27,000,000) | (100%) | - | 10% |
| | 23,642,072 | 44,926,211 | (21,284,139) | (47%) | 6% | 17% |
| Noncurrent Liability | | | | | | |
| Advances from shareholders | 218,218,718 | 150,246,154 | 67,972,564 | 45% | 58% | 55% |
| TOTAL LIABILITIES | 241,860,790 | 195,172,365 | 46,688,425 | 24% | 64% | 72% |
| Equity | | | | | | |
| Share capital | 161,878,533 | 96,000,000 | 65,878,533 | 69% | 43% | 35% |
| Deficit | (26,499,633) | (19,686,496) | 6,813,137 | 35% | (7%) | (7%) |
| | 135,378,900 | 76,313,504 | 59,065,396 | 77% | 36% | 28% |
| TOTAL LIABILITIES AND EQUITY | P377,239,690 | P271,485,869 | 105,753,821 | 39% | 100% | 100% |

Total Assets

Total assets increased from P271.5 million to P377.2 million, a 39% increase from December 31, 2020 to December 31, 2021. The increase was primarily due to increase in property and equipment.

Cash and cash equivalents

Cash and cash equivalents decreased by P71.3 million (76%), as a result of payment of expenses for the on-going construction of hospital building.

Receivables

The receivables amounting to P56.1 million as of December 31, 2021 consists mainly of advances to contractors.

Other current assets

Other current assets increased by P5.8 million (69%), due to the input VAT related to the construction of the hospital building.

Property and equipment

Property and equipment amounted to P284.6 million as of December 31, 2021, which consists mainly of the land and construction in progress of the hospital building.

Total Liabilities

Total liabilities increased by P46.7 million from December 31, 2020 to December 31, 2021. The increase was primarily due to the additional advances from shareholders.

Trade and other payables

The increase in trade and other payables by P5.7 million was due to recognition of accounts and retention payables in connection with the construction of the hospital building.

Deposit for future share subscription

In 2020, the Company received cash for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

Income tax payable

In 2021, the Company will have unpaid income tax.

Advances from shareholders

Advances from shareholders increased by P68.0 million (45%) from December 31, 2020 to December 31, 2021. The Company received additional advances from shareholders.

Equity

The 29% increase in the total equity is due to the subscription of share capital from the increase in authorized capital stock approved by the SEC on September 21, 2021. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (December 31, 2020 vs. December 31, 2019)

| | For the year ended | | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|--------------------|-------------------|---------------------|-------|-------------------|------|
| | December 31, 2020 | December 31, 2019 | Inc (Dec) | % | 2020 | 2019 |
| Revenues | P- | P- | - | - | n/a | n/a |
| Direct costs | - | - | - | - | n/a | n/a |
| Gross profit | - | - | - | - | n/a | n/a |
| Other income | 2,635,791 | 5,806,468 | (3,170,677) | (55%) | n/a | n/a |
| Gross income | 2,635,791 | 5,806,468 | (3,170,677) | (55%) | n/a | n/a |
| General and administrative expenses | (12,857,286) | (7,413,785) | 5,443,501 | 73% | n/a | n/a |
| Loss from operations | (10,221,495) | (1,607,317) | 8,614,178 | 536% | n/a | n/a |
| Income tax expense | - | - | - | - | n/a | n/a |
| Net loss for the year | (10,221,495) | (1,607,317) | 8,614,178 | 536% | n/a | n/a |
| Add (deduct) comp income (loss) | - | - | - | - | n/a | n/a |
| Net comprehensive loss for the year | (P10,221,495) | (P1,607,317) | 8,614,178 | 536% | n/a | n/a |

Other Income

Other income during the period December 31, 2020 is lower than December 31, 2019 at 55%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates in 2021.

General and Administrative Expenses

General and administrative expenses during December 31, 2020 are higher than December 31, 2019 by 73%. This is due to capital gains tax and increase in meetings and conferences.

Loss for the Period

Loss for the period December 31, 2020 is higher than in the same period December 31, 2019 by 536%. This due to the non-operational status of the Company. There is still no income to sustain the expenses.

Financial Condition (December 31, 2020 and December 31, 2019)

| | As at December | As at December | Horizontal Analysis | | Vertical Analysis | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------|-------------------|-------------|
| | 30, 2020 | 31, 2019 | Inc (Dec) | % | 2020 | 2019 |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | P93,666,173 | P177,128,990 | (83,462,817) | (47%) | 35% | 65% |
| Receivables | 40,513,422 | 175,000 | 40,338,422 | 23,051% | 15% | - |
| Other current assets | 8,333,448 | 15,029,510 | (6,696,062) | (45%) | 3% | 5% |
| | 142,513,043 | 192,333,500 | (49,820,457) | (26%) | 53% | 70% |
| Noncurrent Assets | | | | | | |
| Property and equipment (net) | 128,927,826 | 80,543,658 | 48,384,168 | 60% | 47% | 30% |
| Security deposit | 45,000 | 45,000 | - | - | - | - |
| | 128,972,826 | 80,588,658 | 48,384,168 | 60% | 47% | 30% |
| TOTAL ASSETS | P271,485,869 | P272,922,158 | (1,436,289) | (1%) | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | | | | | | |
| Trade and other payables | P17,926,211 | P16,747 | 17,909,464 | 106,941% | 7% | - |
| Deposit for future share subscription | 27,000,000 | - | 27,000,000 | n/a | 10% | 9% |
| Loans payable | - | 24,250,000 | (24,250,000) | n/a | - | - |
| | 44,926,211 | 24,266,747 | 20,659,464 | 85% | 17% | 9% |
| Advances from shareholders | 150,246,154 | 162,120,412 | (11,874,258) | (7%) | 55% | 59% |
| TOTAL LIABILITIES | 195,172,365 | 186,387,159 | 8,785,206 | 5% | 72% | 68% |
| Equity | | | | | | |
| Share capital | 96,000,000 | 96,000,000 | - | - | 35% | 35% |
| Deficit | (19,686,496) | (9,465,001) | 10,221,495 | 108% | (7%) | (3%) |
| | 76,313,504 | 86,534,999 | (10,221,495) | (12%) | 28% | 32% |
| TOTAL LIABILITIES AND EQUITY | P271,485,869 | P272,922,158 | 1,436,289 | (1%) | 100% | 100% |

Total Assets

Total assets decreased from P272.9 million to P271.5 million, 1% decrease from December 31, 2019 to December 30, 2020. The decrease was primarily due to increase in expenses.

Cash and cash equivalents

Cash and cash equivalents decreased by P83.5 million (47%), as a result of payment of expenses and on-going construction of hospital building.

Receivables

The receivables amounting to P40.5 million as of December 30, 2020 consists mainly of advances to contractors.

Other current assets

Other current assets decreased by P6.7 million (45%), as a result of transfer of prepayments for the construction of hospital building to property and equipment account.

Property and equipment

Property and equipment amounted to P128.9 million as of December 31, 2020, which consists mainly of the land and construction in progress of the hospital building.

Total Liabilities

Total liabilities increased by P8.8 million from December 31, 2019 to December 31, 2020. The increase was primarily due to accounts and retention payable and cash received for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

Trade and other payables

The increase in trade and other payables by P17.9 million was due to recognition of accounts and retention payables in connection with the construction of the hospital building.

Deposit for future share subscription

In 2020, the Company received cash for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

Loans payable

In 2020, the Company paid the loans payable.

Advances from shareholders

Advances from shareholders decreased by P11.9 million (7%) from December 31, 2019 to December 31, 2020. The Company paid some advances from the shareholders.

Equity

The 12% decrease in the total equity is due to the results of operations in 2020. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (December 31, 2019 vs. December 31, 2018)

| | For the year ended | | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|--------------------|-------------------|---------------------|------|-------------------|------|
| | December 30, 2019 | December 30, 2018 | Inc (Dec) | % | 2019 | 2018 |
| Revenues | P- | P- | - | - | n/a | n/a |
| Direct costs | - | - | - | - | n/a | n/a |
| Gross profit | - | - | - | - | n/a | n/a |
| Other income | 5,806,468 | 1,700,472 | 4,105,996 | 241% | n/a | n/a |
| Gross income | 5,806,468 | 1,700,472 | 4,105,996 | 241% | n/a | n/a |
| General and administrative expenses | (7,413,785) | (7,027,189) | 386,596 | 6% | n/a | n/a |
| Loss from operations | (1,607,317) | (5,326,717) | (3,719,400) | 70% | n/a | n/a |
| Income tax expense | - | - | - | - | n/a | n/a |
| Net loss for the year | (1,607,317) | (5,326,717) | (3,719,400) | 70% | n/a | n/a |
| Add (deduct) comp income (loss) | - | - | - | - | n/a | n/a |
| Net comprehensive loss for the year | (P1,607,317) | (P5,326,717) | (3,719,400) | 70% | n/a | n/a |

Other Income

Other income in 2019 is higher than in 2018 at 241%. The increase was due to an interest income time deposit account.

General and Administrative Expenses

General and administrative expenses in 2019 are slightly higher in 2018 by 6%.

Loss for the Period

Loss for the period December 31, 2019 is lower than in the same period December 31, 2018 by 70%. This due to the non-operational status of the Company. There is still no income to sustain the expenses.

Financial Condition (December 31, 2019 and December 31, 2018)

| | As at December | As at December | Horizontal Analysis | | Vertical Analysis | |
|-------------------------------------|---------------------|---------------------|---------------------|------------|-------------------|-------------|
| | 30, 2019 | 31, 2018 | Inc (Dec) | % | 2019 | 2018 |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | P177,128,990 | P125,227,896 | 51,901,094 | 41% | 65% | 54% |
| Receivables | 175,000 | 20,000,000 | (19,825,000) | (99%) | - | 9% |
| Other current assets | 15,029,510 | 5,716,656 | 9,312,854 | 163% | 5% | 2% |
| | 192,333,500 | 150,944,552 | 41,388,948 | 27% | 70% | 65% |
| Noncurrent Assets | | | | | | |
| Property and equipment (net) | 80,543,658 | 80,554,094 | (10,436) | (0.01%) | 30% | 35% |
| Security deposit | 45,000 | 45,000 | - | - | - | - |
| | 80,588,658 | 80,599,094 | (10,436) | (0.01%) | 30% | 35% |
| TOTAL ASSETS | P272,922,158 | P231,543,646 | 41,378,512 | 18% | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | | | | | | |
| Trade and other payables | P16,747 | P971,781 | (955,034) | (98%) | - | - |
| Loans payable | 24,250,000 | 24,250,000 | - | n/a | 9% | 11% |
| | 24,266,747 | 25,221,781 | (955,034) | (4%) | 9% | 11% |
| Advances from shareholders | 162,120,412 | 118,179,549 | 43,940,863 | 37% | 59% | 51% |
| TOTAL LIABILITIES | 186,387,159 | 143,401,330 | 42,985,829 | 30% | 68% | 62% |
| Equity | | | | | | |
| Share capital | 96,000,000 | 96,000,000 | - | - | 35% | 41% |
| Deficit | (9,465,001) | (7,857,684) | (1,607,317) | (20%) | (3%) | (3%) |
| | 86,534,999 | 88,142,316 | (1,607,317) | (2%) | 32% | 38% |
| TOTAL LIABILITIES AND EQUITY | P272,922,158 | P231,543,646 | 41,378,512 | 18% | 100% | 100% |

Total Assets

Total assets increased from P231.5 million to P272.9 million, 18% increase from December 31, 2018 to December 30, 2019. The increase was primarily due to funds received from stockholders.

Cash and cash equivalents

Cash and cash equivalents increased by P51.9 million (41%), as a result of funds from stockholders.

Receivables

Decreased in receivables was due to collection of advances to related parties.

Other current assets

Other current assets increased by P9.3 million (163%), as a result of prepayments for the construction of hospital building to property and equipment account.

Property and equipment

Property and equipment amounted to P128.9 million as of December 31, 2020, which consists mainly of the land and construction in progress of the hospital building.

Total Liabilities

Total liabilities increased by P43.0 million from December 31, 2018 to December 31, 2019. The increase was primarily due to advances received from stockholders.

Trade and other payables

The decrease in trade and other payables by P1.0 million was due to payment of interest and other payables

Advances from shareholders

Advances from shareholders increased by P43.9 million (37%) from December 31, 2018 to December 31, 2019. The Company received advances from the shareholders to fund the construction of the hospital building.

Equity

The 2% decrease in the total equity is due to the results of operations in 2019. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Key Performance Indicators

Current/Liquidity Ratios

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 stockholders. Also, the Company secured from Development Bank of the Philippines a credit line facility on August 11, 2021 as one of its sources in funding the construction of hospital building. The Company's current ratios were 7.49 and 3.91 as at March 31, 2022 and December 31, 2021, respectively. Meanwhile, the

Company's quick ratios were 7.46 and 3.90 as at March 31, 2022 and December 31, 2021, respectively.

The Company's liquid assets consist of cash and receivables.

Solvency/Debt-to-equity ratios

The Company showed debt-to-equity ratios of 147.6% and 178.7% as at March 31, 2022 and December 31, 2021, respectively. The lower ratio in 2022 was due to collection of subscription receivable.

Net debt-to-equity ratio

The Company showed net debt-to-equity ratios of 138.4% and 162.2% as at March 31, 2022 and December 31, 2021, respectively. The lower ratio in 2022 was due to collection of subscription receivable.

Gross profit ratios

Not applicable

The Company has not yet started its commercial operation, thus, no revenue earned.

Net income from operations to profit margin ratios

Not applicable

The Company has no profit and net income from operations.

Asset to equity ratio

The Company has 247.6% asset to equity ratio as at March 31, 2022 compared to 278.7% as at December 31, 2021.

Profitability ratios

Return on assets ratio

Not applicable

The Company incurred net losses on its pre-operating activities.

Return on equity ratio

Not applicable

The Company incurred net losses on its pre-operating activities.

The manner by which the Company calculates the key performance indicators is as follows:

| | <u>Mar 31, 2022</u> | <u>Dec 31, 2021</u> |
|---|---------------------|---------------------|
| A. Liquidity | | |
| a. Current ratio | | |
| <u>Current asset</u> | <u>84,780,373</u> | <u>92,548,346</u> |
| Current liabilities | 11,323,124 # | 23,642,072 |
| | <u>7.49</u> | <u>3.91</u> |
| b. Quick ratio | | |
| <u>Current assets less inventory and prepayments</u> | <u>84,454,400</u> | <u>92,183,727</u> |
| Current liabilities | 11,323,124 | 23,642,072 |
| | <u>7.46</u> | <u>3.90</u> |
| B. Debt-to-equity-ratios | | |
| <u>Total liabilities</u> | <u>229,541,842</u> | <u>241,860,790</u> |
| Total equity | 155,522,933 | 135,378,900 |
| | <u>147.6%</u> | <u>178.7%</u> |
| C. Net debt-to-equity ratio | | |
| <u>Total liabilities less cash and cash equivalents</u> | <u>215,172,383</u> | <u>219,534,254</u> |
| Total stockholders' equity (including non-controlling interest) | 155,522,933 | 135,378,900 |
| | <u>138.4%</u> | <u>162.2%</u> |
| C. Asset to equity ratio | | |
| <u>Total assets</u> | <u>385,064,775</u> | <u>377,239,690</u> |
| Total equity (including non-controlling interest) | 155,522,933 | 135,378,900 |
| | <u>247.6%</u> | <u>278.7%</u> |

| | <u>Mar 31, 2022</u> | <u>Dec 31, 2021</u> |
|---|---------------------|---------------------|
| D. Interest rate coverage ratio | | |
| Earnings before interest expense and taxes | | |
| Interest expense | <u>NA</u> | |
| E. Profitability ratios | | |
| 1. Gross profit ratios | | |
| Gross profit | | |
| Gross revenues | <u>NA</u> | |
| 2. Net income from operations to profit margin ratios | | |
| Income from operations | | |
| Gross profit | <u>NA</u> | |
| 3. Return on assets ratios | | |
| Net income | | |
| Total average assets | <u>NA</u> | |
| F. Other relevant ratio | <u>none</u> | |

Discussion and Analysis of Material Events and Uncertainties

1. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity. The Company has not yet started its operation. The Company's pre-operating and investing activities were financed through loans and capital infusion from shareholders. Management believes that the completion and fully operational of its hospital building will provide the Company a steady source of income and cash flow in the foreseeable future.
2. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
3. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
4. There are no known trends, events or uncertainties that have had, or that are reasonably expected to cause a material favorable or unfavorable impact on income from continuing pre-operations.
5. There were material commitments for capital expenditures during the quarter as disclosed in Note 7 of the financial statements.

6. There were no significant elements of income or loss that did not arise from the Company's continuing pre-operations.
7. There were no seasonal aspects that had any material effect on the financial condition or results of operations of the Company.

SEASONAL ASPECTS THAT HAS MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

The Company has been exposed to the risks brought about by COVID-19, a novel strain of coronavirus, which has rapidly spread worldwide and reached a pandemic magnitude as it continues to affect more and more countries and territories.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID-19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 15, 2020. Bacolod City is under various quarantine classifications up to present. As of to date, lifting of quarantine classifications is still uncertain.

The enhanced community quarantine, travel restrictions, temporary closure of different establishments, and social distancing measures imposed by the government exposed the Company's operations to risks that may impact its financial performance.

The construction of Company's hospital building has started in February 2020. However, due to COVID-19 outbreak, delivery of construction supplies was postponed and deployment of engineers and construction workers were postponed resulting to a delay in the construction of the hospital building. Upon the lifting of some quarantine restrictions particularly sea travel, the contractor continues the construction and catches up with the delay.

The events surrounding the outbreak did not have a significant impact to the Company's financial position and performance as at and for the year ended March 30, 2022. Nevertheless, the Company will continue to monitor the situation.

External Audit Fees

Audit and Audit Related Fees

The 2021 Audited Financial Statements of the Company with the External Auditors' PTR, Name of the Certifying partner and Address and Statement of Manager's Responsibility are attached hereto as Annex E2.

THE AGGREGATE FEES BILLED ARE SHOWN BELOW:

Fees approved in connection with the assurance rendered by Mendoza Querido Co. pursuant to the regulatory and statutory requirements for the years ended, December 31, 2021 amount to Php 336,000.00 inclusive of 12% VAT, December 31, 2020 amount to Php 336,000.00

inclusive of 12% VAT, and December 31, 2019 amount to Php 342,900.00 inclusive of 12% VAT and out-of-pocket expenses amount to 6,900.00. These expenses include printing, and travel allowances for auditors.

| Year | 2021 | 2020 | 2019 |
|----------------|------------|------------|------------|
| Audit Fees | 300,000.00 | 300,000.00 | 300,000.00 |
| Tax Fees | 36,000.00 | 36,000.00 | 36,000.00 |
| All other fees | | | 6,900.00 |

D. MANAGEMENT AND CERTAIN SECURITY HOLDERS

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of its operations for its review. Currently, the Board consists of fifteen (15) members, of which three (3) are independent directors.

The table below set forth the members of the Company's Board as of 30 June 2022.

| Name | Position | Age | Citizenship | Occupation | Business |
|-----------------------------|--|-----|-------------|--|---|
| 1. Abad, Alben Teodoro T. | Independent Director (Elected on 24 July 2021) | 39 | Filipino | Radiologist | Teresita L. Jalandoni Provincial Hospital |
| 2. Balinas, Rhona T. | Director / Asst. Corp. Treasurer | 63 | Filipino | Anesthesiologist | Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc.; Metro Bacolod Hospital and Medical Center; South Bacolod General Hospital |
| 3. Biron, Ferjanel G. | Director / Chairman / CEO | 57 | Filipino | Businessman/ Congressman/ General Medicine | Aesthetical Manila, Inc.; Smartlab Diagnostics and Dialysis Center- Inc.; Botikang Pinoy, Inc.; Super BP Mart Corporation; Fourth (4th) District Representative of Iloilo |
| 4. Encarnacion, Joseline C. | Independent Director (Elected on 24 July 2021) | 64 | Filipino | Internist | Medilink, Inc. (Clinic); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc. |
| 5. Lavilla, Meride | Director / Asst. | 59 | Filipino | Pediatrician | Eros Building, General Luna St., |

| | | | | | |
|---------------------------------|---|----|----------|--------------------------|---|
| D. | Corporate Secretary | | | | Iloilo City (Clinic); St. Paul's Hospital Iloilo City; Mission Hospital Iloilo City; West Visayas State University Medical Center Iloilo City; Medicus Medical Center Iloilo City; Qualimed Medical Center Iloilo City |
| 6. Magallanes, Bel Manuel G. | Director / Vice Chairman | 52 | Filipino | HENT Specialist | Medical Plaza Bacolod (Clinic); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc.; Metro Bacolod Hospital Medical and Center |
| 7. Magbanua, Ma. Leila M. | Director / Corporate Treasurer | 59 | Filipino | IM Nephrologist | Riverside Medical Center, Inc. (MAB); Queen of Mercy Hospital Bacolod; The Doctors' Hospital, Inc. |
| 8. Malata, Ma. Ivy V. | Director / Corporate Secretary | 57 | Filipino | Pediatrician | The Doctors' Hospital, Inc. (Clinic Central); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod |
| 9. Martyr, John Clifton U. | Independent Director | 54 | Filipino | IM Pulmologist | The Doctors' Hospital, Inc.; Medilink, Inc. |
| 10. Pabicon, Olga H. | Director | 58 | Filipino | IM Rheumatologis t | Riverside Medical Center, Inc. (MAB) |
| 11. Pacete, Jimmy B. | Director | 61 | Filipino | Surgeon | The Doctors' Hospital, Inc.; Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; Northway Building Bacolod (Clinic) |
| 12. Pedroza, David G. | Director | 43 | Filipino | Pathologist | Corazon Locsin Montelibano Memorial Regional Hospital; Riverside Medical Center, Inc.; South Bacolod General Hospital; Metro Bacolod Hospital and Medical Center ; Negros First Provincial Blood Center |
| 13. Regozo, Danilo C. | Director / Executive Vice President | 59 | Filipino | Family Medicine | Farmacia Neo, Tanza, Iloilo City (Clinic); Iloilo Doctors' Hospital; Iloilo Mission Hospital; St. Therese- MTC Colleges Hospital; The Medical City Iloilo; Medicus Medical Center Iloilo |

| | | | | | |
|------------------------------|------------------------------------|----|----------|-----------------|---|
| 14. Rodrigo, Sherwin Lowe B. | Director | 46 | Filipino | Surgeon | Adventist Medical Center Bacolod; Corazon Locsin Montelibano; Memorial Regional Hospital; Riverside Medical Center, Inc.; The Doctors' Hospital, Inc. |
| 15. Tad-y, May Claire R. | Director (Elected on 24 July 2021) | 60 | Filipino | OB-Gynecologist | The Doctors' Hospital, Inc. (Clinic Central); South Bacolod General Hospital; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod |

All the above were elected as Board of Directors and Officers of the Corporation for the year 2021 until their successors are elected during the Annual Stockholders' Meeting of Asia-Pacific Medical Center Bacolod, Inc. (Formerly Allied Care Experts Medical Center - Bacolod Inc.) held on 24 July 2021. During the Special Board Meeting on the same day, Dr. Meride D. Lavilla was elected as Assistant Corporate Secretary and Dr. Rhona T. Balinas was elected as Assistant Corporate Treasurer.

Other than the aforementioned Directors and Officers, the following persons occupy Key Management positions:

The table below sets forth the company's executive officers in addition to its executive directors listed above as of 30 June 2022.

| Name | Position | Age | Citizenship | Occupation | Business |
|--------------------------|--------------------|-----|-------------|------------------|--|
| 1. Maylene B. Villanueva | Compliance Officer | 41 | Filipino | Managing Partner | Villanueva and Trasporto and Partners; |

The independent directors of the Company as of 30 June 2022 are Dr. Alben Teodoro T. Abad, Dr. Joseline C. Encarnacion and Dr. John Clifton U. Martyr.

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

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

As of 30 June 2022, to the knowledge and information of the Company, none of the Company's other Directors or Executive Officers have been involved in the following events during the last five (5) years that are material to an evaluation of their ability or integrity to act as such:

1. Bankruptcy petition filed by or against any business of which they are a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
2. Conviction by final judgment including the nature of offense in a criminal proceeding, domestic or foreign.
3. Order, judgment or decree not reversed or vacated by a domestic or foreign court which limits involvement in any type of business, securities, commodities or banking activities.

4. Being found by a domestic or foreign court in civil action, the SEC or comparable foreign body or domestic or foreign exchange to have violated a securities or commodities law or regulation which judgment has not been reversed, suspended or vacated.

E. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company was granted the permit to sell securities on March 28, 2022. Since it is not yet operational, it was given six (6) months to submit its Manual on Corporate Governance or until September 28, 2022 before the Securities and Exchange Commission.

As an initial step to comply with the adopted leading practices on good governance, the Board had created the Board Committees such as the Corporate Governance Committee, Audit Committee, Nominations and Election Committee and Remuneration and Compensation Committee. The Directors have also started trainings in Corporate Governance provided by SEC accredited training providers such as the Center for Global Best Practices and the Institute of Corporate Directors as follows:

On April 28, 2022, the Board of Directors of the Company attended the webinar on Risk Management in the Age of COVID-19 conducted by the Institute of Corporate Directors. The Company also had its Corporate Secretary attend a webinar on Corporate Secretary as Corporate Governance Professional conducted by the Institute of Corporate Directors on June 16 and 17, 2022.

On June 24, 2022, the Board of Directors of the Company also attended a webinar on Getting the Right Tool for ESG Compliance and Governance and a free masterclass webinar conducted by the Institute of Corporate Directors.

Among the deviations from the recommendation of the SEC in SEC Memorandum No. 24 Series of 2019 is that the Corporate Secretary is a member of the Board and that the number of Independent Directors is less than one third ($\frac{1}{3}$) of the total number of Board of Directors. As the Company has yet to finalize its Manual on Corporate Governance (MCG), there is no deviation of the MCG at the moment. However, the Corporate Governance had already undertaken various sessions and consultations with its Founders and Compliance Officer to review and deliberate on its Manual on Corporate Governance before submitting it for approval of the Board for submission to the SEC.