

CONSTRUCTION REPORT

By: Dr. Jimmy Pacete (Construction Chairman)

The Asia-Pacific Medical Center Bacolod, Inc. welcomes everyone to its 8th Annual Stockholders' Meeting. I am Dr. Jimmy Pacete, your Construction Chairman. I am privileged to share with you the progress of our project, our Construction Timeline and Milestones.

The Year 2023 was indeed a challenging and busy year for all of us, having so many disciplines and trades to be engaged. The electrical components comprising of generator sets, transformers, switch gears, panel boards, and UPS need to be on board. Some of our immediate priorities are curtain walls, air conditioners, sanitary pumps, medical gases, and pneumatic systems. With the inflation rate, coupled with the rise of construction commodities which are catching up with our budget, we opted for an Owner's Supply Materials as one strategy that could lessen the cost of our project. This involves direct sourcing of our materials from China, which are a first-class commodity, but with a cheaper cost of 40% less compared to the existing local market.

In May 2023, Mr. Eric Zheng, a Chinese Supplier and owner of SRGS came to Bacolod to discuss these different trades with the Board. Mr. Zheng suggested that it would be wise for us to visit China so that we could appreciate the real thing. As we anticipated the bulk of our expenses, our management and finance team submitted our loan requirements to DBP for our new project cost last May 10, 2023. We are praying and hoping that the 2nd tranche of our loan will be released to cover the incoming expenses.

One of the revisions of our hospital was to prepare it as a "pandemic ready" facility, in case of future pandemics. The OBO requirements for the revision were submitted last May 11, 2023. However, we were advised that the revised plans will be dealt with accordingly as "As Built Plans", and it will be inspected prior to the release of our Occupancy Permit.

For our elevators, Team Schindler scheduled a kick-off meeting together with the owners and Project Management Team (PMT), last May 16, 2023. The purpose of the meeting was to make sure that our site would be ready for its installation. A total of 6 elevators including 2 guest lifts and 2 patient lifts, both of which have panoramic features, creating a scenic view of the garden area with a soothing ambiance of a green hospital. To complete the package of Schindler elevators, another lift is for our service elevator and one lift for the pandemic elevator. The target date for installation will be in September 2024.



The Jockey Pumps and Drainage Pumps were also engaged, having Ebara Pumps Phils. as our contractor. Fabrication and installation would take around 1 year since most of the equipment and materials will be coming from the US. We will be expecting the installation to start by June 2024. Some of their equipment has already started to arrive at the site.

In August 2023, the Board of Directors of Asia-Pacific Medical Center Bacolod, Inc. went to China to visit the different factories that would cater our Owner Supply Material (OSM). First on the list was our medical equipment presented by United Imaging Healthcare (UIH). Their imaging equipment such as MRI, CT Scan, PET Scan, CATH Lab Machine, Fluoroscopy & Digital X-ray are world-class and state-of-the-art medical equipment. All are built-in with artificial intelligence that outclass the other brands. One of our goals was to visit their hospital and look into their BIM system and their pneumatic system, as well as their healthcare system. We also had a chance to look into their electrical systems; switch gears, panel boards, bus duct system, UPS, Gen sets, and transformers. Of course, our trip will not be completed if we will not be able to see the components for our interior finishes. We visited the glass factory and looked at some of the high-rise buildings that envelope their facade with curtain walls, fueling our appetite to see the beauty and elegance of our hospital someday. The fenestrations (doors), the vinyl, and the lighting materials complete the interior finishes for our future project. Indeed, it was a worthwhile experience to see a real first-class facility that China can offer at a lower cost.

Having been satisfied with what we saw in China, we finalized our OSM that SRGS will cater to, including generator sets, transformers, UPS, switch gears, and panel boards. We will be expecting these OSM to be installed in our hospital in the middle and at the end of this year.

Moreover, we started our Grounding works last September 2023. The soil compaction needs to be achieved first through the field density test prior to the pouring activity. In addition, embedment/roughing-ins began to take place with the laying out of piping conduits and electrical components. Using their Reticulation System, our Pest Control was also instituted by Julant Pest Control Systems Inc. After the embedment / roughing-ins had been placed, concrete pouring of Phase 1 & 3 began to take effect. As of this date, continuous activity at the lower ground floor or slab on grade, was done comprising about 50% of work accomplishments.

On September 9, 2023, another trade - the Medical Gas was awarded to Gruntechnology Corporation. Aside from the Medical Gas, they will also provide us with an Oxygen Generator, which could be used later to generate income.



In October 2023, the second to the last shipment from PEB Steel arrived at the site, consisting of columns and beams for the MAB stairs which was then erected. In the same month, UCDC celebrated its One Million Safety Man Hours without loss of time injury.

On November 6, 2023, SRGS together with its Engineers for the Curtain walls, as well as the ACU team, had a site visit to assess the site condition, and to discuss the plans and the designs. A Facade consultant from BV was hired to help us with our curtain walls.

In the middle of November 2023, a Pre-Bid Conference for our Electronics & Auxiliary Systems was conducted at the site where three (3) vendors participated in the conference. We will be requiring them to submit their tender documents as well as their Bid bonds.

In December 2023, another recorded milestone for our construction, the Topping Off Ceremony, on the casting of the last slab at the roof deck. The APMC Bacolod founders took the time to witness this momentous event.

As we start the year 2024, the completion of delivery of PEB Steel arrived at the site comprising some elements of MAB stairs, canopy roofing, and mechanical ledges.

In February 2024, the Gruntech, our medical gas vendor, started their mobilization in putting up their temporary facilities (Temfacil) at the back of the hospital. Their materials and equipment which were fabricated from Slovenia arrived in the Philippines and are now ready to be shipped to our site.

As of today, we are seeing our civil structural package coming into its completion with a progress accomplishment of 86%. Continuous concrete pouring of the Slab on Grade (SOG), canopy roofing, and mechanical ledges installation would suffice our civil structural package. For the MEPFS works, we have already reached the 7th floor for the sanitary pipes and plumbing main supply. The MEPFS package has reached an accomplishment of 29.08%. As for the basic architectural works, CHB layering and plastering have reached up to the 6th floor. Basic architecture completes a 53.22% accomplishment. As of 31 December 2023, the total percentage of completion of the construction of the multi-disciplinary hospital being constructed by the Company is at 45.76% of the original area. On 23 December 2023, the Board of Directors approved the proposal to increase the area of the hospital to 41,001.41 due to inclusion of works in the roof deck, helipad, bridges, assigned areas and parking. Due to the increase in the floor area and escalation of prices of construction materials, the estimated total project cost increased, and in effect the total physical percentage of the project completion is 37.775% as of this date. We still have a lot of things to do, but we believe that by God's grace, He will make things beautiful for APMC Bacolod in His perfect time.