Re: ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC._ SEC FORM 17A_MAY 16, 2022

From: ICTD Submission (ictdsubmission+canned.response@sec.gov.ph)

To: asiapacificmedicalcenter.aklan@yahoo.com

Date: Monday, May 16, 2022, 04:21 PM GMT+8

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ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the-counter.

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Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

COVER SHEET

CS201739437

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

1 2	3 1
Month	*Day*

Fiscal Year

17 – A 2021

FORM TYPE

0 4	0 3
Month	*Day*

Annual Meeting

Secondary License Type, 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

TABLE OF CONTENTS

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 2021

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. 0917-8146042
Issuer's telephone number, including area code

9. Aklan Polyclinic and Drugstore. Goding Ramos St., Kalibo, Aklan
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	209,800

The total outstanding debt of the company as of **December 31, 2021 is P340,603,443**

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”).

PhP 526 Million as of December 31, 2021

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, 2021 (incorporated as reference for items 7 and 12 of SEC Form 17-A)

ITEM I – BUSINESS AND GENERAL INFORMATION

BUSINESS DEVELOPMENT

The name of 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.

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. The company is now working on its application for registration before the Board of Investment to avail tax incentives once it operates.

As of December 31, 2021, the total percentage of completion of the construction of the hospital being constructed by APMC-Aklan is at 21.79% with accomplishments at 80.83% for Structural, 28.80% for Plumbing, 10.60% for Electrical, 19.87% for Fire Protection, 1.65% for Electronics & Auxiliary.

ANTICIPATED BUSINESS OF THE COMPANY

Asia Pacific Medical Center –Aklan will be a Level 2 Hospital with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and effective medical services to its clients and stakeholders. It will be a 7-storey, 216-bed capacity hospital with roof deck and a total of 192 available parking slots in a total floor area of 33,522.36 sq. m. constructed in a 9,656 sq. m. property located at Judge Martelino Road, Barangay Andagao, Kalibo, Aklan. It will provide services to residents of Kalibo, Aklan, nearby Barangays and Municipalities including tourists from Boracay, and even to the neighboring provinces which are considered its catchment areas. APMC-AI will be a multidisciplinary specialty medical facility that will house medical specialists who are subscribers to the capital stock of the Corporation.

APMC-AI will accomplish its purpose by the acquisition of complete and world-class facilities and by providing service through medical specialists who are competent and fully qualified in their line of work and equally efficient and well-motivated employees and management staff.

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. will collect 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.

Level 2 Hospital

Asia Pacific Medical Center –Aklan Inc. will be a Level 2 Hospital. Under the Rules and Regulations Governing the New Classification of Hospitals and Other Health Facilities in the Philippines (Effective: August 18, 2012), the following are the minimum requirements for Level 2 Hospitals:

A **Level 2 Hospital** shall have as minimum, all of Level I capacity[1], including, but not limited to, the following:

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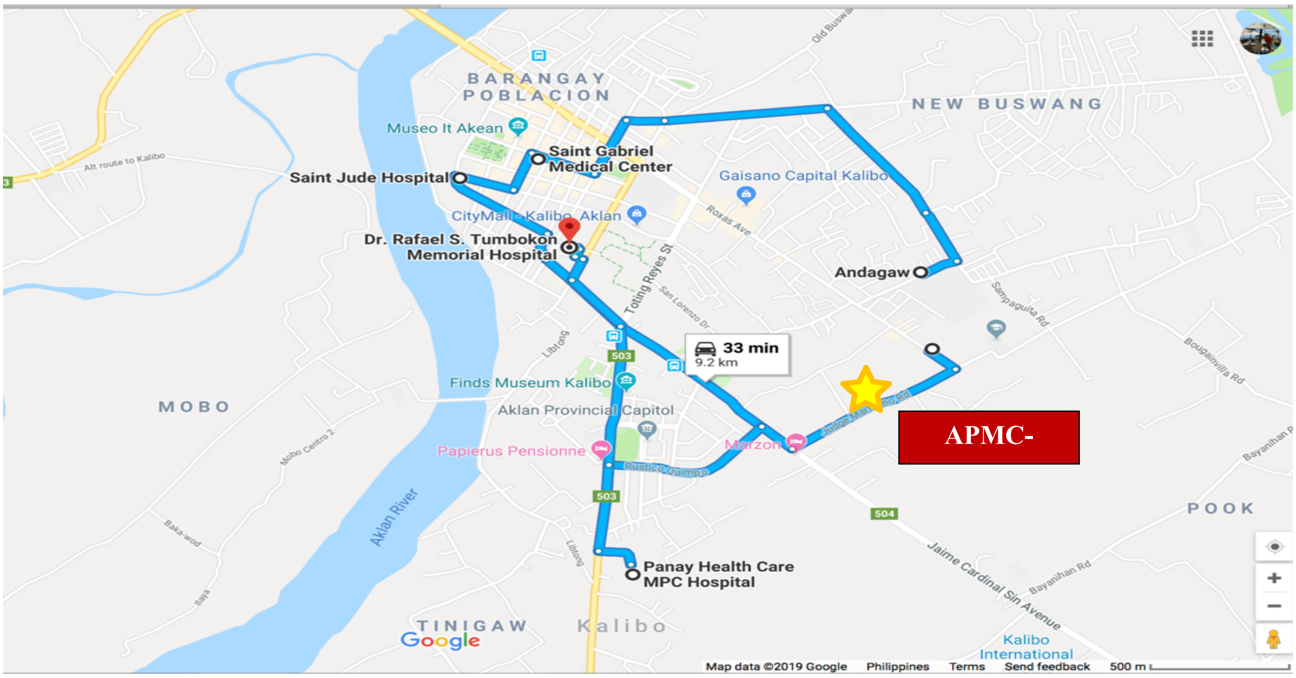
[1] *A Level I hospital shall have as minimum the services stipulated under Rule V. B. 1. b. 1. of the Order, including, but not limited to, the following: 1. A staff of qualified medical, allied medical and administrative personnel headed by a physician duly licensed by PRC; 2. Bed space for its authorized 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.*

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.

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



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 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 Credentialing and Privileging Committee, the medical staff of APMC-Aklan Inc. are clinically competent and certified specialists.

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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*

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

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

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

Specialized services such as the following will also be provided:

- Cardiac Catheter Laboratory
- Renal and Urology Center
- Endoscopy Center
- Oncology Center and Transfusion Unit
- Eye Center
- Nutrition and Dietetics
- Blood Bank
- Neuro-laboratory
- Operating room and Minimally Invasive Surgery
- Physical & Occupational Therapy and Rehabilitation Facilities
- Sleep Center
- Metabolic Wellness and Aesthetic Center
- High Risk Pregnancy and Infertility
- Human Milk Bank and Lactation Center
- Research Center

EMPLOYEES

The Hospital will be staffed with medical specialists who will provide the skeleton force and attract other specialist to practice in the Hospital. Below is the breakdown of the current manpower of APMC-AI.

Type of Employees	Number of Current
Executive Officers	12
Medical Support Staff	-
Administrative Staff	3
Engineering and Maintenance	1
Outsourced	0
Clerical	1
TOTAL	17

There is no expected increase within the 12 months since the hospital is projected to operate on the 2nd to 3rd quarter of 2023.

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 40 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.

No	Medical Specialist	Specialization
1	Abayon, Romeo Abayon	General Surgery
2	Alfaro, Ma. Ester Lagon	Pediatrics
3	Abril, Joanne Bautista	Internal Medicine- Infectious Disease Specialist
4	Arce, Maribel Jardiolin	Pediatrics
5	Arce, Simeon Jr. Acevedo	Internal Medicine
6	Ardeña, Gregory Joseph Ryan Alvior	Internal Medicine- Endocrine, Diabetes & Metabolism
7	Balbastro, Ramel Ramon Maagma	Internal Medicine - Gastroenterology
8	Barrameda, Romulo Silva	General Surgery- Transplant Surgery
9	Quintana-Bartolome, Delphine Joanne Carlos	Obstetrics-Gynecology
10	Bieren, Marianette Noelle Mesias	Pathology
11	Buenaflor, Patrick Dexter Monroy	Internal Medicine- Pulmonology
12	Buenaflor, Regina Ruiz	Obstetrics-Gynecology
13	Comuelo, Jerusha Abdallah	Pediatrics- Neurology
14	Conanan-Morato,Marsha Lourdes Perez	Anesthesiology
15	Daulo-Lavilla, Meride	Pediatrics
16	De Jose, Johnna Gallardez	Internal Medicine
17	Debuque, Eileen May Balbastro	Internal Medicine
18	Dignadice, Marymil Billones	Internal Medicine- Nephrology

19	Escanillas, Roel Almendralejo	Orthopedics
20	Fernandez, Edmundo Jr. Betita	Urology
21	Francisco, Nikki James Callejo	Pediatrics
22	Icamina, Mary Karen Veronica Roldan	Obstetrics & Gynecology- Reproductive Endocrinology & Infertility
23	Ignacio, May Urbanozo	Internal Medicine- Neurology
24	Isidro, Jessore Ibabao	Internal Medicine- Interventional Cardiology
25	Lavalle, Amado Jr. Maceda	General Surgery
26	Magallanes, Josefa Roberta Acevedo	Anesthesiology
27	Minerva, Ike Tayo	Internal Medicine- Gastroenterology
28	Navarro, Harriet Reunir	Dentistry
29	Ortega, Jeanette Felipe	Psychiatry
30	Palec, Jay-ar Balagosa	Internal Medicine- Oncology
31	Palma, Ester Fernandez	Obstetrics-Gynecology
32	Perez, Claire Bolivar	Internal Medicine- Cardiology
33	Quimpo, Raymundo Roldan	Orthopedics
34	Quindor, Darcy Advincula	ENT- Head & Neck Surgery
35	Ramirez, Ruben Burgonio	Radiology
36	Regozo, Danilo Capanas	Family Medicine
37	Samoro, Fredilyn Gallega	Obstetrics- Gynecology
38	San Jose, Michelle Gabriel	Rehabilitation Medicine
39	Torres, Peter Myron Jun Oliva	Internal Medicine- Gastroenterology
40	Villaflor, Agnes Jean Maleficio	Internal Medicine- Nephrology

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 will file the Declaration of Actual Use in 2022 to maintain such registration.

GOVERNMENT APPROVAL

Asia Pacific Medical Center - Aklan Inc. has secured the necessary permits to construct the Hospital. Building Permit, Civil/Structural, Architectural, Electrical, Sanitary, Mechanical and Electronics Permits were issued on July 2, 2019. Certificate of Zoning Compliance was issued on June 6, 2019. Fire Safety Evaluation Clearance was granted on June 26, 2019. CAAP Height Clearance Permit was issued on July 17, 2019. Other permits that may be required later for its operations shall be secured by the Company.

List of Permits	Date Granted
Securities & Exchange Commission	6 December 2017
Bureau of Internal Revenue	6 December 2017
Department of Health – Permit to Construct	7 December 2018
Civil Aviation Authority of the Philippines (CAAP) Clearance	17 July 2019
Environmental Compliance Certificate	17 July 2019
Certificate of Zoning Compliance	6 June 2019
Fire Safety Evaluation Clearance	26 June 2019
Excavation and Ground Preparation	30 October 2019
Building Permit	28 June 2019
Civil/ Structural Permit	2 July 2019
Architectural Permit	2 July 2019

Electrical Permit	2 July 2019
Sanitary/ Plumbing Permit	2 July 2019
Mechanical Permit	2 July 2019
Electronics Permit	2 July 2019
Approval of the Change of Corporation Name	3 December 2020
SEC Permit to Offer Securities	24 June 2021
License to Operate	To be secured once Hospital building is complete
Occupancy Permit	To be secured once LTO is granted

In the course of its pre-operation stage, Asia Pacific Medical Center – Aklan Inc. will secure permits and licenses from national and local government entities particularly the License to Operate (LTO) from the DOH, Environmental Compliance Certificate and Hazardous Waste Permit from DENR. The Occupancy Permit will be issued by the Aklan, Office of the Building Official and Business Permit from Business Permit and Licensing Office (BPLO) of Aklan.

The LTO will be secured after the full construction of the Hospital and the necessary Occupancy Permit from the Building Official has been issued. The DOH will need to conduct ocular inspection of the facilities of the Hospital, as well as the pre-operation procedures of Asia Pacific Medical Center –Aklan Inc. to ensure it is compliant with the standards of the Department prior to issuance of the LTO.

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 covers 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 will be a general Level 2 hospital in Kalibo, Aklan, it is qualified to avail of the tax incentives and enhanced deductions once registered, The Company intends to commence the process in 2022 to ensure that its registration is approved prior to its operation. If registration is granted, the company will enjoy tax incentives and enhanced deductions from its taxable income.

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 is currently working on its own Personal Data Privacy Policy. 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.

COST AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The Company incurred around Sixteen Thousands Five Hundred Seventy Pesos (PHP 16,570.00) in expenses for environmental compliance for the year 2019. 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 results 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.

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 advacned medical equipment and hospital information system to the company.

ITEM 2 - PROPERTIES

Asia Pacific Medical Center – Aklan Inc. hospital will be a 7-storey, 216 bed capacity hospital with one-level basement parking and a helipad. The hospital has a total floor area of 33,522.36sq.m. constructed in a 9,656 sq.m. property located at Judge Martelino Road, Barangay Andagao, Kalibo, Aklan. 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. 17-01-002-07026and 17-01-002-07025 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 Development Bank of the Philippines. The first tranche of the said loan amounting to Php 195,000,000.00 was relased on November 2021.

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, 2021, the corporation has acquired office equipment composed of desktop and laptop computers, printers, steel cabinets and office furniture amounting to Php 354,031.00 net of depreciation.

The Hospital will also have the following facilities:

Basement Floor *(3,655.65sq.m.)*

General Services Office

Housekeeping and Laundry

Engineering Office

Building Management System

Mortuary

Potable and Fire Pump System

56 parking and service slots

Ground Floor *(3,648.29sq.m.)*

Emergency Department

Radiology Department with MRI, CT Scan and Mammography

Laboratory Department

Rehabilitation

Heart Station

Discharge Area

Security

Main Central Supply Room

Administration and Human Resource

Billing and Admitting

Guest Service Office

Main Pharmacy

Commercial Spaces

Budget and Purchasing

Social Service

TB DOTS
Animal Bites
Oxygen Storage
LPG Storage
Warehouse
STP
60 Parking and Service Slots

Second Floor *(3,826.89sq.m)*
Surgical-Obstetrical Suite Complex
Medical Intensive Care Unit
Surgical Intensive Care Unit
Coronary Care Unit
Pediatric Intensive Care Unit
Neonatal Intensive Care Unit
Dialysis Unit
Satellite Central Supply Room
Prayer room
Family Conference Room
Pain Clinic
Waiting areas

Third Floor *(4,060 sq. m.)*
50 Single Doctor’s Out-Patient Clinics
3 Shared Clinics
Respiratory Unit
Children’s Playroom
Commercial spaces for restaurant/coffee shop
Central Waiting Lounge
Treatment room (including nurse station)
Oncology Center
Dental Center
Lactation Center
Outdoor Roof deck
Hearing Center

Prayer room

Fourth Floor *(3,943sq. m.)*
2 Nurse stations with Treatment Rooms
32 Private rooms
20 Ward rooms (2 beds/room)
4 Isolation Rooms
Newborn Screening Center
Prayer room
Family Conference room
Lounges

Fifth floor *(2,836 sq. m.)*
2 Nurse stations with treatment Rooms
57 Private rooms
2 Isolation Private rooms
Neuro lab Center
2 Doctors quarters (2 beds/room)
2 Dormitory rooms (3 double deck beds/room)
Prayer room
Family conference room
Lounges

Sixth Floor *(2,836 sq. m.)*
2 Nurses stations with Treatment rooms
22 Private rooms
2 Isolation Private rooms
8 VIP Patient rooms
5 Premier Patient rooms
8 Guest rooms
Wellness center with Gym
Diabetes and Wound Care center
Prayer room
Family conference room
Lounges

Seventh Floor *(3,161 sq. m.)*

Executive offices section (including boardroom, meeting room, medical service committee, and marketing offices)

Nursing Service Office

Accounting department

HIMS and Library

Biomedical Department

Auditorium

Dietary unit

Bipartite Lecture hall

Skills lab room

Canteen (not counting outdoor dining area)

TOTAL FLOOR AREA: 33, 522.36sq.m.

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

Except for the matters taken up during the Annual Stockholders' Meeting, there was no other matter submitted by a vote of security holders during the period covered by this report.

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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 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 582 blocks had been sold at the price of Php 250,000.00 per block by the third and fourth quarter of 2021. 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, 2021 is 2.77%.

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 621 holders of common shares of the company as of 31 December 2021.

The following are the Top 20 shareholders of the Company:

No	Name	Class of Securities	Number of Share Held	%
1	Biron, Ferjenel G.	Founder/ Common	34,000	16.60%
2	Perez, Claire B.	Founder/ Common	10,200	4.98%
3	Alfaro, Ma. Ester L.	Founder/ Common	6,800	3.32%
4	Arce, Maribel J.	Founder/ Common	6,800	3.32%
5	Buenaflor, Regina R.	Founder/ Common	6,800	3.32%
6	Daulo-Lavilla, Meride	Founder/ Common	6,800	3.32%
7	Dignadice, Marymil B.	Founder/ Common	6,800	3.32%
8	Abril, Joanne B.	Founder/ Common	3,400	1.66%
9	Arce, Simeon Jr. A.	Founder/ Common	3,400	1.66%
10	Ardeña, Gregory Joseph Ryan A.	Founder/ Common	3,400	1.66%
11	Quintana-Bartolome, Delphine Joanne C.	Founder/ Common	3,400	1.66%
12	Buenaflor, Patrick Dexter M.	Founder/ Common	3,400	1.66%
13	Conanan-Morato, Marsha Lourdes P.	Founder/ Common	3,400	1.66%
14	Debuque, Eileen May B.	Founder/ Common	3,400	1.66%
15	Francisco, Nikki James C.	Founder/ Common	3,400	1.66%

No	Name	Class of Securities	Number of Share Held	%
16	Icamina, Mary Karen Veronica R.	Founder/ Common	3,400	1.66%
17	Quimpo, Raymundo R.	Founder/ Common	3,400	1.66%
18	Quindor, Darcy A.	Founder/ Common	3,400	1.66%
19	Regozo, Danilo C.	Founder/ Common	3,400	1.66%
20	Torres, Peter Myron Jun O.	Founder/ Common	3,400	1.66%
	T O T A L		122,400	59.76%

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

Hospital construction is targeted to be complete in the second quarter of 2023 and hospital operation is set to start anytime during the third quarter of the same year.

Financial requirements of the corporation during the next twelve (12) months stem from the completion of the hospital structure including its interiors, procurement of additional hospital equipment and additional salaries for the expected increase in manpower during the start of the hospital operation. Hiring for the needed employees will commence about three (3) months prior to target starting date of operation which will be set for the orientation and training of both the medical and paramedical staff.

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. With the increasing demands especially that completion target has been set, the corporation 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. Payment of unpaid subscription by the stockholders was also called for to augment the cash position of the corporation.

At present the Company has seventeen (17) employees and the Company does not have plans to hire additional employees within the next 12 months.

2. Management's Discussion and Analysis

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

	For the Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2021	2020	Inc./(Dec.)	%	2021	2020
Revenue	-	-	-	0%	N/A	N/A
Direct Cost	-	-	-	0%	N/A	N/A
Gross Profit	-	-	-	0%	N/A	N/A
Other Income	24,357	130,873	(106,516)	-81%	N/A	N/A
Gross Income	24,357	130,873	(106,516)	-81%	N/A	N/A
General and Administrative Expenses	24,642,317	10,637,799	14,004,518	132%	N/A	N/A
Loss from Operations	(24,617,960)	(10,506,926)	13,898,002	-132%	N/A	N/A
Finance Cost	-	-	-	0%	N/A	N/A
Net Loss Before Income Tax	(24,617,960)	(10,506,926)	(14,111,034)	134%	N/A	N/A
Income Tax Expense	-	-	-	0%	N/A	N/A
Net Loss for the year	(24,617,960)	(10,506,926)	(14,111,034)	134%	N/A	N/A
Other Comprehensive Income/(Loss) for the Year	-	-	-	0%	N/A	N/A
Total Comprehensive Loss for the Year	**(24,617,960)**	**(10,506,926)**	**(14,111,034)**	**134%**	**N/A**	**N/A**

Other Income

The hospital is in its architectural stage. As of December 31, 2021, Structural works are at 80.83%, Plumbing works are at 28.80%, Fire Protection work is at 19.87%, Electrical works are at 10.60% complete and Electronics at 1.85%. However, given its current status, it is not yet income generating. What are currently being recorded as income are mostly interest income earned from bank deposits. During the year, we reflected a total of P24,357 other income which is 81% lower than what was reported last year amounting to P130,873. This was mainly due to the funds that we have parked in our bank accounts during the year.

General and Administrative Expenses

General and Administrative Expenses increased by 132% during the year. This is comparing the ending balances of 2021 and 2020. During the year, there is a significant increase on taxes paid in relation with the Company's bank loan, thus increasing the amount reflected significantly at P9.18M equivalent to 970%. Salaries and professional fees also increased during the period.

	For the Years Ended		Horizontal	
	2021	**2020**	**Inc./(Dec.)**	**%**
Taxes and licenses	10,131,599.00	946,892.00	9,184,707.00	970%
Salaries and wages	6,970,050.00	2,476,423.00	4,493,627.00	181%
Honorarium	4,800,000.00	5,054,500.00	(254,500.00)	-5%
Professional fees	1,511,184	950,834	560,350.00	59%
Depreciation	156,069	146,150	9,919.00	7%
Rent	144,000	144,000	-	0%
Office supplies	111,977	49,043	62,934.00	128%
Transportation and travel	96,879	314,449	(217,570.00)	-69%
Outside services	84,910	56,969	27,941.00	49%
Utilities	48,755	24,866	23,889.00	96%
Advertising	46,980	13,490	33,490.00	248%
Meetings and conferences	41,609	45,893	(4,284.00)	-9%
Marketing	35,416	-	35,416.00	0%
Trainings and seminars	30,000	-	30,000.00	0%
SSS/Philhealth/HDMF	27,660	22,560	5,100.00	23%
Repairs and maintenance	10,610	6,550	4,060.00	62%
Donation	8,000	-	8,000.00	0%
Insurance	-	292,163	(292,163.00)	-100%
Finance Cost	-	-	-	0%
Miscellaneous	386,619	93,017	293,602	316%
Total Comprehensive Loss for the Year	**24,642,317**	**10,637,799**	**14,004,518**	**132%**

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

Assets

Total assets of the company increased by 113%. Most of the increase is attributable mainly to construction in progress and advances to contractors. The latter represents advances for awarded project activity and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings. During the year, construction in progress and advances to contractors increased by 196% and 438%, respectively.

Liabilities

The liabilities of the company increased by 166%. During the year, the company was received a loan from Development Bank of the Philippines amounting to P195,000,000. Retention payable and other payables also increased during the period.

Equity

The equity of the company increased by 72% amounting to P117.5M. During the year, Share Capital increased by P15M (8%). Also, Additional paid-in capital up by a total of P127M equivalent to an increase of 913%. The deficit during the year also increased by P24.6M which is in effect reflected a deduction from the equity account.

	For the Years Ended		Horizontal		Vertical	
ASSETS	**2021**	**2020**	**Inc./(Dec.)**	**%**	**2021**	**2020**
CURRENT ASSETS						
Cash and Cash Equivalents	85,619,715	52,858,801	32,760,914	62%	14%	18%
Advances to contractors	32,234,651	5,986,328	26,248,323	438%	5%	2%
Receivables from suppliers	48,000	48,000	-	0%	0%	0%
Prepaid tax		64,270	(64,270.00)	-100%	0%	0%
	117,902,366	58,957,399	58,944,967	100%	19%	20%
NON-CURRENT ASSETS						
Land	94,096,485	94,096,485	-	0%	15%	32%
Construction in progress	409,611,040	138,320,827	271,290,213	196%	66%	47%
Office Equipment, furniture and fixtures - net	341,441	456,288	(114,847)	-25%	0%	0%
Leasehold improvements - net	12,590	24,212	(11,622)	-48%	0%	0%
	504,061,556	232,897,812	271,163,744	116%	81%	80%
TOTAL ASSETS	**621,963,922**	**291,855,211**	**330,108,711**	**113%**	**100%**	**100%**
LIABILITIES AND EQUITY	**2021**	**2020**	**Inc./(Dec.)**	**%**	**2021**	**2020**
CURRENT LIABILITIES						
Retention payable	40,108,653	6,128,569	33,980,084	554%	6%	2%
Accounts payable	1,138,387	-	1,138,387	0%	0%	0%
Withholding tax payable	811,330	517,402	293,928	57%	0%	0%
Other payables	533,708	32,082	501,626	1564%	0%	0%
Advances from shareholders	53,011,364	121,331,718	(68,320,354)	-56%	9%	
Loans payable	50,000,000	-	50,000,000	0%	8%	
	145,603,442	128,009,771	17,593,671	14%	23%	44%
NON-CURRENT LIABILITIES						
Loans payable	195,000,000	-	195,000,000	0%	31%	0%
	195,000,000	-	195,000,000	0%	31%	0%
TOTAL LIABILITIES	340,603,442	128,009,771	212,593,671	166%	55%	44%
EQUITY						
Share Capital	193,837,000	178,756,000	15,081,000	8%	31%	61%
Additional paid-in capital	140,972,000	13,920,000	127,052,000	913%	23%	5%
Deficit	(53,448,520)	(28,830,560)	(24,617,960)	85%	-9%	-10%
TOTAL EQUITY	281,360,480	163,845,440	117,515,040	72%	45%	56%
TOTAL LIABILTIES AND EQUITY	**621,963,922**	**291,855,211**	**330,108,711**	**113%**	**100%**	**100%**

	2021	2020	2019
Cash and Cash Equivalent	The year-end balance of cash showed an increase from last year's DBP released first tranche of loan before the year ended.	Full swing of construction would require use of cash and other company assets. Thus, the minimal cash balance reflected.	The hospital is gearing for a full swing construction. Thus, company resources,especially cash are being utilized for the project.
Advances and other receivables	Down payments made to contractors and suppliers. These are being recouped Gradually as their work progresses	The amount included the advances made IFO the contractors and suppliers as down payment. These advances will form part of the payments through gradual application against contractors and suppliers' billings.	
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	Construction is at Structural Works at 80.83%, Plumbing are at 28.80%, Fire Protection work is at 19.87%, Electrical are at 10.60% complete and Electronics at 1.85%. The total estimated cost to complete the hospital building amounted to P415M.	The construction has been going on for the last 2 years and it's been making a big progress.	

Accounts Payable and Other Liabilities Retention payable amounting to P40M refers to the amount withheld by the Company from the contractor's periodic progressbillings. Advances from stockholders account for 16% of the total liabilities. Other payables governmental expenses, etc.	These mostly are retentions payables and Advances from Stockholders. This also includes governmental payables.
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.	No transaction
Loans payable DBP released its first tranche last November 2021 amounting to P195M.	No transaction
Share Capital As at year end 2021, the was able to sell and collect 193,837 shares.	These are the recorded subscribed and paid shares disposed by the company.
Share Capital Net share premium recorded as at end of 2021 increased by P127M as compared to 2020.	Sales of securities in excess These are recorded under Additional paid-in

Deficit

The hospital is not yet operating. All expenses of the company basically administrative, cause the deficit that was recorded.

	For the Years Ended December 31	
	2021	**2020**
Revenue	-	-
Direct Cost	-	-
Gross Profit	-	-
Other Income	24,357	130,873
Gross Income	24,357	130,873
General and Administrative Expenses	24,642,317	10,637,799
Loss from Operations	(24,617,960)	(10,506,926)
Finance Cost	-	-
Net Loss Before Income Tax	(24,617,960)	(10,506,926)
Income Tax Expense	-	-
Net Loss for the year	(24,617,960)	(10,506,926)
Other Comprehensive Income/(Loss) for the Year	-	-
Total Comprehensive Loss for the Year	**(24,617,960)**	**(10,506,926)**

The hospital is expected to open in 2023. Data for the year 2021, includes other income reflecting mostly interest income given that the hospital is not yet operational. 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)

	2021	**2020**
LIQUIDITY		
QUICK ASSET RATIO		
Cash + Cash Equivalent + Current Accounts Receivable / Current Liabilities	0.81 : 1	0.46 : 1

Remarks:
Most of the company's resources are now being utilized for the construction of the hospital. That is the reason why the cash balance reflected on every year-end report is low. Within 2023, the hospital will be opening its doors to the public, thus, it is expected that the cash and other current assets will reflect a more positive data.

CURRENT RATIO		
Current Assets / Current Liabilities	0.81 : 1	0.46 : 1

Remarks:
As of now, cash and other current assets are being utilized for the construction of the hospital. That is the reason why the current ratio of the company reflected a not so attractive information. It is expected to be better when the hospital starts its operation this 2023.

SOLVENCY		
DEBT TO EQUITY RATIO		
Long Term Debt / Equity	0.69 : 1	NA

Remarks:
The company's debt to equity ratio is good. With the enhanced selling of shares and eventually collection of payments, we are positive that in no time the financial data will be more attractive.

PROFITABILITY

NET PROFIT MARGIN

Net Income / Sales	NA	NA

Remarks:
Hospital is not yet operational. Data is not yet available.

RETURN ON EQUITY

Net Income / Stockholder's Equity	NA	NA

Remarks:
Hospital is not yet operational. Data is not yet available.

LEVERAGE

DEBT TO TOTAL ASSET RATIO

Total Debt / Total Assets	0.55 : 1	0.44 : 1

Remarks:
The building is almost complete so the construction in progress account is getting bigger. This is where most of the resources of the company go. The liquidity of the company may have been affected but the total assets, though not readily convertible to cash, are more than enough to cover its total obligations.

ASSET TO EQUITY RATIO

Total Assets / Equity	2.21 : 1	1.78 : 1

Remarks:
The hospital is opening very soon. By that time, the company may already be able to show a more stable financial statement. As at present company assets is 221% higher that its equity.

INTEREST RATE COVERAGE RATIO

INTEREST RATE COVERAGE RATIO

Earnings Before Interests & Taxes / Interest Expense	NA	NA

Remarks:
Hospital is not yet operational. Data is not yet available.

As of December 31, 2021

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 intends to commence its operations in 2023 when the hospital facility will be completed.
6. The company has no investments on foreign securities.

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 2021 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 Mendoza Querido & Co. for the years 2021 and 2020 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.** pursuant to the regulatory and statutory requirements for the years ended December 31, 2021 amount to Php 607, 583.20 inclusive of 12% VAT, December 31, 2020 amount to Php 119,963.20.

Year	2021	2020
Audit Fees	607, 583.20	118,868.96

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

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 embers of the Company's Board as of December 31, 2021.

No	Name	Age	Position	Citizenship
1	Abril, Joanne B.	42	Director/Treasurer	Filipino
2	Arce, Simeon Jr. A.	59	President	Filipino
3	Ardeña, Gregory Joseph Ryan A.	46	Director	Filipino
4	Biron, Ferjenel G.	57	Chairman	Filipino
5	Francisco, Nikki James C.	37	Asst. Secretary	Filipino
6	Conanan-Morato, Marsha Lourdes P.	39	Director/Corporate Secretary	Filipino

No	Name	Age	Position	Citizenship
7	Daulo-Lavilla, Meride	59	Vice President	Filipino
8	Debuque, Eileen May B.	54	Vice Chairman	Filipino
9	Perez, Claire B.	50	Director/Asst. Treasurer	Filipino
10	Quimpo, Raymundo R.	48	Director	Filipino
11	Regozo, Danilo C.	59	Director	Filipino
12	Buenaflor, Regina R.	42	Director	Filipino
13	Quintana-Bartolome, Delphine Joanne C.	40	Independent Director	Filipino
14	Icamina, Mary Karen Veronica R.	44	Independent Director	Filipino
15	Quindor, Darcy A.	44	Independent Director	Filipino

All the above individuals 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 (APMC) – AKLAN INC. held on July 4, 2021.

Name	Business and Professional Work Experience
Biron, Ferjenel G.	Founding President/Past CEO – Phil Pharmawealth, Inc. Member, House of Representatives 13th – 15th Congress, 17Th Congress (representing 4th District of Iloilo) Past CEO – Endure Medical Inc. Chairman– Asia Pacific Medical Center (APMC)-Aklan;Asia Pacific Medical Center (APMC) -Iloilo, Chairman and President – Asia Pacific Medical Center- Bacolod Director – ACEMC -Butuan, Tagum Global Medical Center, ACEMC- General Santos, ACEMC-CDO; President AestheticaManila;President- Smartlab Diagnostics
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

Name	Business and Professional Work Experience
	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 – 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 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-

Name	Business and Professional Work Experience
	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 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

Name	Business and Professional Work Experience
	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

Name	Business and Professional Work Experience
	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, 2021.

Name	Age	Position	Citizenship	**Period during which individual has served as such**
Bonnie Vee S. Dela Torre	36	Chief Accounting Officer	Filipino	July 4, 2021 to present
Maylene B. Villanueva	41	Compliance Officer	Filipino	July 4, 2021 to present
May U. Ignacio	48	Data Protection Officer	Filipino	July 4, 2021 to present

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 Corporate Secretary and Compliance Officer of the Company. She also serves as the Compliance Officer of Asia Pacific Medical Center – Aklan, Inc. She is the President of TIPP Digital Solutions, Inc. and a Managing Partner in Villanueva and Trasporto and Partners, a partnership engaged in the general practice of law. She is also the Acting President while concurrently serving as Vice President for Legal Affairs and Human Resource of Phil Pharmawealth Inc. and serves as Corporate Secretary of Quiklab Diagnostics, Inc., Aesthetica Manila Inc. and Smartlab Diagnostics Inc. She is also a current member of the Board of Trustees of the Iloilo State College of Fisheries (ISCOF) 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 for two years. 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 2021 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

Annual Compensation

2021

Name and Principal position		Year	Salary	Bonus (PhP) 13TH Month Pay	Other Annual Compensation (PhP) Per diem/ allowances
Chairman	Ferjenel G. Biron	2021	480,000.00	40,000.00	120,000
President	Simeon A. Arce, Jr.	2021	480,000.00	40,000.00	120,000
Chief Accounting Officer	Bonnie Vee S. Dela Torre	2021	540,000.00	45,000.00	
Secretary	Marsha Lourdes P. Conanan-Morato	2021	420,000.00	35,000.00	120,000
Treasurer	Joanne B. Abril	2021	420,000.00	35,000.00	120,000
	All other officers	2021	2,340,000.00	195,000.00	40,000

2020

Name and Principal position		Year	Salary	Bonus (PhP) 13TH Month Pay	Other Annual Compensation (PhP) Per diem/ allowances
Chairman	Ferjenel G. Biron	2020	480,000.00	0	120,000
President	Simeon A. Arce, Jr.	2020	480,000.00	0	120,000
Chief Accounting Officer	Bonnie Vee S. Dela Torre	2020	0	0	
Secretary	Marsha Lourdes P. Conanan-Morato	2020	420,000.00	0	120,000
Treasurer	Joanne B. Abril	2020	420,000.00	0	120,000
	All other officers	2020	1,980,000.00	0	30,000

2019

Name and Principal position		Year	Salary	Bonus (PhP) 13TH Month Pay	Other Annual Compensation (PhP) Per diem/ allowances
Chairman	Ferjenel G. Biron	2019	Not Applicable	Not Applicable	147,000
President	Simeon A. Arce, Jr.	2019	Not Applicable	Not Applicable	203500
Chief Accounting Officer	Bonnie Vee S. Dela Torre	2019	Not Applicable	Not Applicable	
Secretary	Marsha Lourdes P. Conanan-Morato	2019	Not Applicable	Not Applicable	163,500
Treasurer	Joanne B. Abril	2019	Not Applicable	Not Applicable	115,000
	All other officers	2019	Not Applicable	Not Applicable	1,402,500

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, 2021 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, 2021.

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	16.60%

SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the security ownership of management in the common shares of the Company as at December 31, 2021.

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	16.60%
Arce, Simeon Jr. A.	3,400,000	6,800,000	Filipino	10,200	4.99%
Buenaflor, Regina R.	6,800,000	3,400,000	Filipino	10,200	4.99%
Abril, Joanne B.	3,400,000		Filipino	3,400	1.66%
Ardeña, Gregory Joseph Ryan A.	3,400,000		Filipino	3,400	1.66%
Quintana-Bartolome, Delphine Joanne C.	3,400,000		Filipino	3,400	1.66%

Conanan-Morato, Marsha Lourdes P.	3,400,000		Filipino	3,400	1.66%
Daulo-Lavilla, Meride	3,400,000		Filipino	3400	1.66%
Debuque, Eileen May B.	3,400,000		Filipino	3,400	1.66%
Francisco, Nikki James C.	3,400,000		Filipino	3,400	1.66%
Perez, Claire B.	3,400,000		Filipino	3,400	1.66%
Quimpo, Raymundo R.	3,400,000		Filipino	3,400	1.66%
Quindor, Darcy A.	3,400,000		Filipino	3,400	1.66%
Regozo, Danilo C.	3,400,000		Filipino	3,400	1.66%
Torres, Peter Myron Jun O.	3,400,000		Filipino	3,400	1.66%

VOTING TRUST HOLDERS OF 5.0% OR MORE

As of 31 December 2021, there were no persons holding more that 5.0% of a class of shares under a voting trust or similar agreement.

CHANGES IN CONTROL

On December 21, 2020, Dr. Lusyl M. Gomez donated 10 Founder shares and 3,390 common shares to Ferjenel Biron. The BIR CAR for this transaction was issued on May 31, 2021. This arrangement however did not result in a change of control of the company.

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, 2021 and 2020.

	Year Classification	Terms and conditions	Amount of the Transaction	Outstanding Balance
Shareholders	2021 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	(P68,320,354)	P53,011,364
	2020		121,331,718	
			121,331,718	
	2019		(70,500,000)	-

ACEMC - Bacolod	**2021**	Loans payable	Unsecured, interest-bearing, payable in installment	**40,000,000**	**–**
	2020			**-**	**–**
ACEMC - Bacolod	**2021**	Interest expense	Unsecured, interest-bearing, payable in installment	**180,822**	**–**
	2020			-	**–**
Phil Pharmawealth	**2021**	Loans payable	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	**50,000,000**	**50,000,000**
	2020			-	**–**
Shareholder	**2021**		Unsecured, non-interest-bearing, payable monthly	**144,000**	**–**
	2020			**144,000**	**–**
	2019			**144,000**	**–**

Identification	Relationship	Business Purpose of Arrangement	Commitments
Shareholders	Shareholder	Advances from shareholders in support for the Company's hospital building construction requirements.	Acknowledgement Receipt
Directors	Shareholder	Provided by the Board of Directors, planning to increase subscribed and paid up capital	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
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 RIs).

The minor deviations from the recommendations of the CG Code for PCs and RIs such as the number of Executive directors being more than the number of non-executive 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 just about to operate and there is a need to tighten the purse that is achieved by having a lean manpower through the combination of various roles in one person. As soon as it commences operation, the Company will ensure that it is fully compliant with all the recommendations.

The Company is currently working on an Assessment Survey by the Board of Directors and Board Committees. This evaluation system aims to measure and determine the level of compliance of the Board of Directors and top-level management with its Revised Manual on Corporate Governance. The Board Performance Assessment which is accomplished by the BOD indicates compliance ratings. It will be submitted to the Compliance Officer who evaluates compliance with the Revised Manual on Corporate Governance.

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 2021 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 2021 is attached as Annex “B”

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

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 _______________ on __________ 2022.

By:

BONNIE VEE B. DELA TORRE
Chief Accounting Officer

JOANNE B. ABRIL
Corporate Treasurer

SIMEON A. ARCE, JR.
Principal Executive Officer

MARSHA LOURDES P. CONANAN-MORATO
Corporate Secretary

13 MAY 2022

SUBSCRIBED AND SWORN to before me this __________ day of _________ 2022 affiant(s) exhibiting to me his/their Valid IDS, as follows:

NAMES	PASSPORT NO./ PRC	DATE OF ISSUE	PLACE OF ISSUE
BONNIE VEE DE LA TORRE	D118924	11/13/2006	
SIMEON A. ARCE, JR.	DD68829	3/06/1990	
JOANNE B. ABRIL	0110834	8/29/2007	
MARSHA LOURDES CONANAN-MORATO	D114192	9/21/2008	

ATTY. MARC ANTHONY M. PERALTA
Notary Public
Commission Expires on June 30, 2022
As per S. C. Resolution
dated September 28, 2021
(B.M. No. 3795 (Re: Request for Extension
of Existing Notarial Commissions)
Notarial Commission No. 19 (2019-2020), Aklan
IBP Lifetime Member No. 010734/Aklan Chapter
PTR No. 7742715/Jan. 3, 2022/Aklan
Roll of Attorney No. 61144/March 27 2012
MCLE Compliance No. VI-0001748/Until 04-14-2022

Notary Public

Doc. No: 513
Page No.: 104
Book No.: LXVI
Series of 2022

ANNEX A

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: Ryan Piramide
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Company Information

SEC Registration No.: CS201739437
Company Name: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-AKLAN INC.
Industry Classification: N85120
Company Type: Stock Corporation

Document Information

Document ID: OST1041820228305128
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Annual
Remarks: None

SEC CiFSS-OST Initial Acceptance

From: noreply-cifssost@sec.gov.ph
Date: Monday, April 18, 2022, 03:54 PM GMT+8

Greetings!

SEC Registration No: CS201739437
Company Name: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-AKLAN INC.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City,
1307, Metro Manila, Philippines

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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS201739437

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)

2F AKLAN POLYCLINIC AND DRUGSTORE BUILDING, GODING . RAMOS ST., 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
(APMC)-AKLAN INC.
(Formerly: Allied Care Experts (ACE) Medical Center-Aklan Inc.)

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, 2021, 2020 and 2019, 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 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.

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.

Mendoza Querido & Co., the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

Dr. Ferjenel G. Biron
Chairman of the Board

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 71
COLLECTION SECTION
RECEIVED
DATE: 18 APR 2022
BY: AUDREY LUKE A. AMARA
Revenue Officer (Collection)

Dr. Simeon A. Arce, Jr.
President

Dr. Joanne B. Abril
Treasurer

Office Address: 2/F Aklan Polyclinic & Drugstore, Goding Ramos Street, Kalibo, Aklan 5600
Business/Principal Address: Judge Martelino Road, Brgy. Andagao, Kalibo, Aklan
Tel: +63 (036) 268-2320/ +63917-814-6042/ asiapacificmedicalcenter.aklan@yahoo.com/ www.asiapacificmedicalcenter-aklan.com

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

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

Signed this 3rd day of April 2022

SUBSRIBED AND SWORN to before me this 12 APR 2022 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Dr. Ferjenel G. Biron	TIN / 127-685-650		
Dr. Simeon A. Arce, Jr.	TIN / 168-239-701		
Dr. Joanne B. Abril	TIN / 258-414-663		

Doc No. 159
Page No. 33
Book No. 145
Series of 2022

HIGINO C. MACABALES
Notary Public
Until December 31, 2021
Extended up to June 30, 2022 per
Supreme Court Resolution dated
September 28, 2021
Appointment No. 11 (2020-2021)
PTR No. 7761443/1-3-2022
Kalibo, Aklan
IBP Lifetime Member No. 03501
Kalibo, Aklan
Roll No. 28437/05-20-1978
MCLE Comp. No. VI-0001745/3-8-17
valid until April 14 2022

Office Address: 2/F Aklan Polyclinic & Drugstore, Goding Ramos Street, Kalibo, Aklan 5600
Business/Principal Address: Judge Martelino Road, Brgy. Andagao, Kalibo, Aklan
Tel: +63 (036) 268-2320/ +63917-814-6042/ asiapacificmedicalcenter.aklan@yahoo.com/ www.asiapacificmedicalcenter-aklan.com

MOORE

M&Q

Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Asia Pacific Medical Center (APMC) – Aklan Inc.
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)
Aklan Polyclinic and Drugstore, Goding Ramos Street
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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 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 audit 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, 2021, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise to be materially misstated.

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 Group to express an opinion on the consolidated 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 19 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: **MENDOZA QUERIDO & CO.**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
SEC Accreditation No. 84807-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022,
January 25, 2022, valid until January 24, 2025
PTR No. 8856593, January 7, 2022, Makati City

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 71
COLLECTION SECTION
RECEIVED
DATE: 18 APR 2022
BY: AUDREY LUKE A. AMARA
Revenue Officer (Collection)

April 3, 2022

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020
(Amounts in Philippine Pesos)

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2, 3, 4 and 5)	**P85,619,715**	P52,858,801
Receivables (Notes 2, 3, 4 and 6)	**32,282,651**	6,034,328
Prepaid tax (Note 2)	–	64,270
Total Current Assets	**117,902,366**	58,957,399
Noncurrent Asset		
Property and equipment – net (Notes 2, 3 and 7)	**504,061,556**	232,897,812
TOTAL ASSETS	**P621,963,922**	P291,855,211
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 2, 4 and 8)	**P42,592,078**	P6,678,053
Advances from shareholders (Notes 2, 4 and 13)	**53,011,364**	121,331,718
Loans payable – current portion (Notes 2, 4 and 9)	**50,000,000**	–
Total Current Liabilities	**145,603,442**	128,009,771
Noncurrent Liability		
Loans payable – noncurrent (Notes 2, 4 and 9)	**195,000,000**	–
Total Liabilities	**340,603,442**	128,009,771
Equity		
Share capital (Notes 2, 4 and 10)	**193,837,000**	178,756,000
Additional paid-in capital (Notes 2 and 4)	**140,972,000**	13,920,000
Deficit (Notes 2 and 4)	**(53,448,520)**	(28,830,560)
Total Equity	**281,360,480**	163,845,440
TOTAL LIABILITIES AND EQUITY	**P621,963,922**	P291,855,211

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 71
COLLECTION SECTION
RECEIVED
DATE: 18 APR 2022
AUDREY LUKE A. AMARA
Revenue Officer (Collection)
BY:

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, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	2021	2020	2019
INTEREST INCOME (Notes 2 and 5)	**P24,357**	P130,873	P1,037,529
EXPENSES (Notes 2 and 11)	**(24,642,317)**	(10,637,799)	(8,993,670)
NET LOSS	**(P24,617,960)**	(P10,506,926)	(P7,956,141)
LOSS PER SHARE (Notes 2 and 15)	**(P120.33)**	(P51.36)	(P38.89)

There was no other comprehensive income during the years ended December 31, 2021, 2020 and 2019.

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 71
COLLECTION SECTION
RECEIVED
DATE: 1 8 APR 2022
BY: AUDREY LUKE A. AMARA
Revenue Officer (Collection)

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, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	2021	2020	2019
SHARE CAPITAL (Notes 2, 4 and 10)	**P193,837,000**	P178,756,000	P158,600,000
ADDITIONAL PAID-IN CAPITAL (Notes 2 and 4)	**140,972,000**	13,920,000	13,920,000
DEFICIT (Notes 2 and 4)			
Balance at beginning of year	**(28,830,560)**	(18,323,634)	(10,367,493)
Net loss	**(24,617,960)**	(10,506,926)	(7,956,141)
Balance at end of year	**(53,448,520)**	(28,830,560)	(18,323,634)
	P281,360,480	P163,845,440	P154,196,366

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, 2021, 2020 AND 2019

(Amounts in Philippine Pesos)

	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	**(P24,617,960)**	(P10,506,926)	(P7,956,141)
Adjustments for:			
Interest income (Note 5)	**(24,357)**	(130,873)	(1,037,529)
Depreciation (Notes 7 and 11)	**156,069**	146,150	99,907
Loss before working capital changes	**(24,486,248)**	(10,491,649)	(8,893,763)
Increase (decrease) in:			
Receivables (Note 6)	**(26,248,323)**	(6,034,328)	–
Prepaid tax (Note 2)	**64,270**	(64,270)	–
Increase (decrease) in accounts and other payables (Note 8)	**35,914,025**	6,677,871	(11,412,694)
Net cash used in operations	**(14,756,276)**	(9,912,376)	(20,306,457)
Interest received	**24,357**	130,873	1,037,529
Net cash used in operating activities	**(14,731,919)**	(9,781,503)	(19,268,928)
CASH FLOW FROM INVESTING ACTIVITY			
Additions to property and equipment (Note 7)	**(271,319,813)**	(119,232,575)	(18,343,003)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds (payments) of advances from stockholders (Note 13)	**(68,320,354)**	121,331,718	(70,500,000)
Proceeds from subscription of share capital (Note 10)	**142,133,000**	20,156,000	121,460,000
Proceeds (payments) of loans payable (Notes 9 and 16)	**245,000,000**	–	(20,000,000)
Net cash provided by financing activities	**318,812,646**	141,487,718	30,960,000
NET INCREASE (DECREASE) IN CASH	**32,760,914**	12,473,640	(6,651,931)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**52,858,801**	40,385,161	47,037,092
CASH AND CASH EQUIVALENTS AT END OF YEAR	**P85,619,715**	P52,858,801	P40,385,161
CASH AT END OF YEAR CONSISTS OF:			
Cash on hand	**P–**	P18,356,000	P–
Cash in banks	**85,619,715**	34,502,801	9,391,250
Time deposits	**–**	–	30,993,911
	P85,619,715	P52,858,801	P40,385,161

	2021	2020	2019
NONCASH FINANCIAL INFORMATION			
Conversion of advances			
from officers into equity (Note 9)	P–	P–	P21,000,000
Increase in share capital (Note 9)	–	–	(21,000,000)
Transfer of prepayments			
to property and equipment (Note 7)	–	–	1,207,000
Additions to property and equipment (Note 7)	–	–	(1,207,000)
	P–	P–	P–

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 71
COLLECTION SECTION
RECEIVED
DATE: 18 APR 2022
BY: AUDREY LUKE A. AMARA
Revenue Officer (Collection)

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 Aklan Polyclinic and Drugstore, Goding Ramos Street, Kalibo, Aklan. The hospital address is located at Judge Martelino Road, Andagao, Kalibo, Aklan.

The Company has seventeen (17) and twelve (12) employees as at December 31, 2021 and 2020, respectively.

The accompanying financial statements of the Company for the year ended December 31, 2021 were approved and authorized for issue by the BOD on April 3, 2022.

2. **Summary of Significant 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, 2021. 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 PFRS 16, "*Leases*"

  COVID-19-Related Rent Concessions (effective June 1, 2020). The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

  These amendments have no impact on the financial statements.

- 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.

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

The adoption of the foregoing new and revised PFRS and PAS will not have any material impact on the financial statements. 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, 2021
The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2021 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, 2022

- Amendments to PFRS 3, "*Reference to the Conceptual Framework*"

  The amendments updated the reference to the "*Conceptual Framework*" and an exception to its requirement for an entity to refer to the "*Conceptual Framework*" to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should instead refer to PAS 37, "*Provisions, Contingent Liabilities and Contingent Assets*". This exception is to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that it would not recognize in other circumstances. Immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain.

  The amendments will apply on future business combinations of the Company, if any.

- Amendments to PAS 16, "*Property, Plant and Equipment - Proceeds before Intended Use*"

  The amendments prohibit from deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

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

- Amendments to PAS 37, "*Onerous Contracts - Cost of Fulfilling a Contract*"

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

Annual Improvements to PFRSs 2018-2020 Cycle
The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning 2022 and are not expected to have a material impact on the Company.

- Amendments to PFRS 1, "*Subsidiary as a First-time Adopter*"

  The amendment permits a subsidiary that measures the assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

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

- Amendments to PFRS 9, "*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*"

  The improvements clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

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

- Amendments to PFRS 16, "*Lease Incentives*"

  The amendment removes reimbursement relating to leasehold improvements. PFRS 16 does not contain explicit guidance on how to account for leasehold improvements made by the lessee or when reimbursements made by the lessor in respect of those leasehold improvements can be regarded as lease incentives. Thus, created some confusion on how a lessee should account for such reimbursement by stating that the lessee should apply the appropriate standard and should not account for the reimbursement as a lease incentive. The standard had not clearly explained the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

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

- Amendments to PAS 41, "*Taxation in Fair Value Measurements*"

  The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

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

Effective beginning on or after January 1, 2023

- 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 adoption of this amendment is not expected to have any significant impact on the 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.

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

- 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 deferral of the effective date by two years, to annual reporting periods beginning on or after January 1, 2023, is intended to allow time for an orderly adoption of the amended PFRS 17 by jurisdictions. This should enable more insurers to implement the new Standard at the same 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.

- 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.

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

- 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.

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

*Effective beginning on or after January 1, 2025**

- 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.*

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 FSRC 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.

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

Significant 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 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve 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 twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve 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 instruments are any contracts 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, 2021 and 2020, the Company's cash and cash equivalents and receivables 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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 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 fair value through profit or loss.

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 fair value through profit or loss.

As at December 31, 2021 and 2020, 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, 2021 and 2020, the Company's accounts and other payables (except government 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 fair value through other comprehensive income to be measured at fair value through profit or loss 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.

Prepayments
Prepayments include expenses already paid but not yet incurred. These are 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
Office equipment, furniture and fixtures	5
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 (include 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
Property and equipment 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 comrehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent 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.

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

Cost and Expenses
Costs and expenses are recognized in the statements of comprehensive income upon utilization of the service or at the date they 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 their 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 they 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 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 stockholders 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 fair value through profit or loss (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 other comprehensive income.

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 11).

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 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 2021 and 2020. The carrying amounts of other financial assets at amortized cost are as follows:

	2021	2020
Cash in banks	**P85,619,715**	P34,502,801
Receivables	**32,282,651**	6,034,328
	P117,902,366	P40,537,129

Assessment for Impairment of Nonfinancial Assets
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, 2021 and 2020. The carrying amount of nonfinancial assets is as follows:

	2021	2020
Property and equipment	**P504,061,556**	P232,897,812
Prepaid tax	**–**	64,270
	P504,061,556	P232,962,082

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 P409,965,071 and P138,801,327 as at December 31, 2021 and 2020, respectively (see Note 7).

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, 2021 and 2020.

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 and cash equivalents, receivables, accounts and other payables and advances from shareholders. 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 2021 and 2020.

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.

Other Financial Assets at Amortized Cost
The Company's other financial assets at amortized cost are composed of cash in banks and time 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, 2021			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	**P85,619,715**	**P–**	**P–**	**P85,619,715**
Receivables	**32,282,651**	**–**	**–**	**32,282,651**
	P117,902,366	**P–**	**P–**	**P117,902,366**

	December 31, 2020			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	P34,502,801	P–	P–	P34,502,801
Time deposits	6,034,328	–	–	6,034,328
	P40,537,129	P–	P–	P40,537,129

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 stockholders. 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, 2021 and 2020 based on contractual and undiscounted payments.

As at December 31, 2021

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	**P40,642,361**	**P–**	**P–**	**P–**	**P40,642,361**
Advances from shareholders	**–**	**53,011,364**	**–**	**–**	**53,011,364**
Loans payable	**–**	**50,000,000**		**195,000,000**	**245,000,000**
	P40,642,361	**P103,011,364**	**P–**	**P195,000,000**	**P338,653,725**
Financial assets:					
Cash and cash equivalents	**P85,619,715**	**P–**	**P–**	**P–**	**P85,619,715**
Receivables	**32,282,651**	**–**	**–**	**–**	**32,282,651**
	P117,902,366	**P–**	**P–**	**P–**	**P117,902,366**

**Excluding government payables amounting to P811,330 as at December 31, 2021.*

As at December 31, 2020

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	P6,160,651	P–	P–	P–	P6,160,651
Advances from shareholders	–	121,331,718	–	–	121,331,718
	P6,160,651	P121,331,718	P–	P–	P127,492,369
Financial assets:					
Cash and cash equivalents	P52,858,801	P–	P–	P–	P52,858,801
Receivables	6,034,328	–	–	–	6,034,328
	P58,893,129	P–	P–	P–	P58,893,129

**Excluding government payables amounting to P517,402 as at December 31, 2020.*

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

	2021	2020
Financial assets:		
Cash and cash equivalents	**P85,619,715**	P52,858,801
Receivables	**32,282,651**	6,034,328
	P117,902,366	P58,893,129
Financial liabilities:		
Accounts and other payables*	**P40,642,361**	P6,160,651
Advances from shareholders	**53,011,364**	121,331,718
Loans payable	**245,000,000**	–
	P338,653,725	P127,492,369

**Excluding government payables amounting to P811,330 and P517,402 as at December 31, 2021 and 2020, 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, 2021 and 2020.

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

	2021	2020	2019
Share capital	**P193,837,000**	P178,756,000	P158,600,000
Additional paid in capital	**140,972,000**	13,920,000	13,920,000
Deficit	**(53,448,520)**	(28,830,560)	(18,323,634)
	P281,360,480	P163,845,440	P154,196,366

The Company is not subject to externally-imposed capital requirements.

5. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand	**P–**	P18,356,000
Cash in banks	**85,619,715**	34,502,801
	P85,619,715	P52,858,801

Cash in banks earn interest at the respective bank deposit rates. Interest income earned from cash in banks amounted to P24,357, P22,394 and P43,618 in December 31 2021, 2020 and 2019, respectively.

Time deposit pertains to Company's unrestricted premium savings account which earns interest at the respective bank deposit rate of 5.6% per annum. Interest income earned from time deposit account amounted to P108,479 and P993,911 as of December 31, 2020 and 2019, respectively.

6. Receivables

This account consists of:

	2021	2020
Advances to contractor	**P32,234,651**	P5,986,328
Receivable from suppliers	**48,000**	48,000
	P32,282,651	P6,034,328

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.

There were no assets impaired nor used as collateral for any payables or advances as at December 31, 2021 and 2020.

7. Property and Equipment

This account consists of:

	2020	Additions	Disposal	**2021**
Cost:				
Land	P94,096,485	P–	P–	**P94,096,485**
Construction in progress	138,320,827	271,290,213	–	**409,611,040**
Office equipment, furniture and fixtures	722,235	29,600	–	**751,835**
Leasehold improvements	58,107	–	–	**58,107**
	233,197,654	271,319,813	–	**504,517,467**

Forward

	2020	Additions	Disposal	**2021**
Accumulated depreciation:				
Office equipment,				
furniture and fixtures	265,947	144,447	–	**410,394**
Leasehold improvements	33,895	11,622	–	**45,517**
	299,842	156,069	–	**455,911**
Net book value	P232,897,812			**P504,061,556**

	2019	Additions	Disposal	2020
Cost:				
Land	P94,096,485	P–	P–	P94,096,485
Construction in progress	19,147,267	119,173,560	–	138,320,827
Office equipment				
furniture and fixtures	663,220	59,015	–	722,235
Leasehold improvements	58,107	–	–	58,107
	113,965,079	119,232,575	–	233,197,654
Accumulated depreciation:				
Office equipment				
furniture and fixtures	131,418	134,529	–	265,947
Leasehold improvements	22,274	11,621	–	33,895
	153,692	146,150	–	299,842
Net book value	P113,811,387			P232,897,812

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, 2020, total estimated cost to complete the hospital building amounted to P415 million, and construction is estimated to be completed by the second quarter of 2023.

As certified by construction managers, the estimated percentage of completion as at December 31, 2021 of the construction on structural works is at 80.83%, plumbing works is at 28.80%, fire protection work is at 19.87%, electrical works is at 10.60% and electronic works is at 1.85%.

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 other permanent improvements.

Prepayments amounting to P1,207,000 in 2018 were transferred to construction in progress account in 2019. This transaction is considered as a noncash financial information in the statements of cash flows.

Prepayments that were transferred to construction in progress account are as follows:

Professional fee	P1,200,000
Lot survey	7,000
	P1,207,000

There were no assets impaired nor used as collateral for any payables or advances as at December 31, 2021 and 2020.

The carrying values of the property and equipment approximate their fair values.

8. Accounts and Other Payables

This account consists of:

	2021	2020
Retention payable	**P40,108,653**	P6,128,569
Accounts payable	**1,138,387**	–
Withholding tax payable	**811,330**	517,402
Other payables	**533,708**	32,082
	P42,592,078	P6,678,053

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.

Other payables pertain to unpaid professional fees and other expenses incurred but not yet paid as at December 31, 2021 and 2020.

9. Loans Payable

		2021	2020
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 as at December 31, 2021 is 4.50% per annum. All loans are secured by the Company's real properties (see Note 7). The loan proceeds were used to finance the construction of the hospital building.	**P195,000,000**	P–
Phil Pharmawealth, Inc.	Short-term loan availed in December 2021 amounting to P50,000,000 from Phil Pharmawealth Inc. payable after one month from execution of the loan agreement and bearing an interest of 4.5% 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.	**50,000,000**	–
Total		**245,000,000**	–
Less current portion		**50,000,000**	–
		P195,000,000	P–

Borrowing costs amounted to P2,816,301 as of December 31, 2021 were capitalized as cost of the hospital building.

10. Share Capital

This account consists of:

	2021	2020	2019
Authorized share capital			
600 founders' share at P1,000 par value	**P600,000**	P600,000	P600,000
239,400 common share 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' share at P1,000 par value	**P600,000**	P600,000	P600,000
Less subscription receivable	**–**	–	–
	600,000	600,000	600,000
Balance at beginning – 203,980 common shares in 2021 and 2020 and 119,400 common shares in 2019	**203,980,000**	203,980,000	119,400,000
Current year subscription – 5,820 common shares in 2021 and 84,580 common shares in 2019	**5,820,000**	–	84,580,000
Balance at end of year - 209,800 common shares in 2021 and 203,980 common shares in 2020 and 2019	**209,800,000**	203,980,000	203,980,000
Less subscription receivable	**(16,563,000)**	(25,824,000)	(45,980,000)
	193,237,000	178,156,000	158,000,000
	P193,837,000	P178,756,000	P158,600,000

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 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.

In December 2017, the BOD and Stockholders approved the additional issuance of 84,000 shares to existing stockholders, a Notice of Exemption of which was granted by the SEC on May 21, 2019. The BOD and Stockholders also approved the subscriptions and issuance of 580 common shares to 19 new shareholders in 2019, a Notice of Exemption of which was granted by the SEC on March 5, 2020.

11. Expenses

This account consists of:

	2021	2020	2019
Taxes and licenses	**P10,131,599**	P946,892	P1,709,687
Salaries and wages (Note 13)	**6,970,050**	2,476,423	302,575
Honorarium (Note 13)	**4,800,000**	5,054,500	–
Professional fees	**1,511,184**	950,834	1,009,090
Depreciation (Note 7)	**156,069**	146,150	99,907
Rent (Notes 12 and 13)	**144,000**	144,000	144,000
Office supplies	**111,977**	49,043	165,892
Transportation and travel	**96,879**	314,449	242,227
Outside services	**84,910**	56,969	595,855
Utilities	**48,755**	24,866	36,376
Advertising	**46,980**	13,490	12,000
Meetings and conferences	**41,609**	45,893	3,906,352
Marketing	**35,416**	–	–
Trainings and seminars	**30,000**	–	–
SSS/PhilHealth/HDMF	**27,660**	22,560	22,260
Repairs and maintenance	**10,610**	6,550	4,800
Donation	**8,000**	–	–
Insurance	**–**	292,163	300,000
Finance cost	**–**	–	381,461
Miscellaneous	**386,619**	93,017	61,188
	P24,642,317	P10,637,799	P8,993,670

12. Lease Agreement

The Compay entered into a contract of lease with a stockholder, 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.

Rent expense charged to operations amounted to P144,000 in 2021, 2020 and 2019 (see Note 11).

As at December 31, 2021, 2020 and 2019, the Company has no outstanding commitments under non-cancellable operating leases.

13. 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	**2021**	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	**(P68,320,354)**	**P53,011,364**
	2020			121,331,718	121,331,718
	2019			(70,500,000)	–
Directors	2019	Advances from officers	Unsecured, unguaranteed, noninterest-bearing, no term, payable in exchange of shares of stock	(21,000,000)	–
ACEMC - Bacolod	**2021**	Loans payable	Unsecured, interest-bearing, payable in installment.	**40,000,000**	**–**
	2020			–	–
ACEMC - Bacolod	**2021**	Interest expense		**180,822**	**–**
	2020			–	–
Phil Pharmawealth, Inc.	**2021**	Loans payable	Unsecured, interest-bearing, payable in installment, payable after one month from execution of the loan agreement.	**50,000,000**	**50,000,000**
	2020			–	–
Shareholder	**2021**	Rent (Notes 11 and 12)	Unsecured, noninterest-bearing, payable monthly	**144,000**	**–**
	2020			144,000	–
	2019			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
Directors	Shareholder	Provided by the Board of Directors, planning to increase subscribed and paid up capital.	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
Shareholder	Shareholder	The shareholder leased a temporary office space to the Company.	Lease contract (Note 12)

Compensation of Key Management Personnel
The summary of compensation of key management personnel of the Company are as follows:

	2021	2020	2019
Honorarium	**P4,800,000**	P5,054,500	P–
Salaries and wages	**6,201,500**	2,160,000	–
	P11,001,500	P7,214,500	P–

Since the Company is in its pre-operating stage, the BOD has not yet declared key management personnel compensation as at December 31, 2019. Instead, only per diem and plane fare allowance per meeting were given as per Board Resolution dated March 19, 2018.

14. Income Tax

The President signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

The following are the key provisions of the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

Corporate Income Tax (CIT)
- Starting July 1, 2020, CIT rate for corporations is reduced as follows:

   a. Reduced CIT rate of 20% is applicable to domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated).

   b. Reduced CIT rate of 25% is applicable to all other domestic and resident foreign corporations.

- For the period beginning July 1, 2020 until June 30, 2023, MCIT rate is 1%, instead of 2%.

- Improperly accumulated earnings tax is repealed.

- The option to be taxed at 15% of gross income if allowed by the President subject to certain conditions is repealed.

Deductions from Gross Income
Due to the proposed reduction in CIT rate, interest arbitrage is reduced to 20% of interest income subjected to final tax, and will be further adjusted in case final tax on interest income will be adjusted in the future.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as at December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event in the 2020 financial statements. Accordingly, current and deferred taxes as at December 31, 2020 were computed and measured using the applicable income tax rates as at December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Company would have been subjected to a lower regular CIT rate of 25% effective July 1, 2020. However, there is still no significant impact to the Company's financial statements since the Company has not set up deferred tax asset that requires adjustment due to change in tax rate starting July 1, 2020.

There is no provision for income tax for 2021, 2020 and 2019 because the Company has not yet started commercial operation.

As at December 31, 2021, the Company has NOLCO before taxable year 2020 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, 2019	P8,612,209	P–	P8,612,209	2022
December 31, 2018	9,305,417	(9,305,417)	–	2021
	P17,917,626	(P9,305,417)	P8,612,209	

As at December 31, 2021, 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:

Date 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.

The following are the computations of regular corporate income tax:

	2021	2020	2019
Loss before income tax	**(P24,617,960)**	(P10,506,926)	(P7,956,141)
Add (deduct) permanent differences on:			
Nondeductible interest expense	**–**	–	381,461
Interest income subjected to final tax	**(24,357)**	(130,873)	(1,037,529)
Taxable loss	**(P24,642,317)**	(P10,637,799)	(P8,612,209)
Tax due at 25% in 2021 and 30% in 2020	**P–**	P–	P–

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

	2021	2020	2019
Tax at applicable statutory income tax rate	**(P7,385,388)**	(P3,152,078)	(P2,386,842)
Adjustments for:			
Nondeductible interest expense	**–**	–	114,439
Interest income subjected to final tax	**(7,307)**	(39,262)	(311,259)
Unrecognized deferred tax asset	**7,392,695**	3,191,340	2,583,662
	P–	P–	P–

15. Loss Per Share

Basic loss per share is computed as follows:

	2021	2020	2019
Net loss	**(P24,617,960)**	(P10,506,926)	(P7,956,141)
Weighted average number of shares outstanding	**204,580**	204,580	204,580
Basic loss per share	**(P120.33)**	(P51.36)	(P38.89)

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

16. Changes in Liabilities Arising from Financing Activities

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

	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**

	2019	Cash flows	Noncash financing information	2020
Advances from shareholders	P–	P121,331,718	P–	P121,331,718

	2018	Cash flows	Noncash financing information	2019
Advances from shareholders	P70,500,000	(P70,500,000)	P–	P–
Loans payable	20,000,000	(20,000,000)	–	–
	P90,500,000	(P90,500,000)	P–	P–

17. 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.

18. Impact of Coronavirus of 2019 (COVID-19) Update

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. Province of Aklan 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.

Due to COVID-19 outbreak, delivery of construction supplies was postponed resulting to a delay in the construction of the hospital building.

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 December 31, 2021. Nevertheless, the Company will continue to monitor the situation.

19. 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:

The Company has not yet started commercial operations and did not incur the following taxes:
a. *VAT output tax*
b. *VAT input tax*
c. *Taxes on importation*
d. *Excise tax*

Documentary Stamp Tax
The Company paid documentary stamp tax (DST) in 2021 amounting to P5,507,420 for issuance of capital stock and availment of loan.

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

	2021	2020	2019
Documentary stamp tax	**P5,507,420**	P–	P1,139,855
Land registration authority	**4,546,527**	–	–
Real property tax	**64,270**	74,313	–
SEC filing fees	**3,515**	868,620	–
Zoning clearance	**–**	–	413,758
Registration fees	**–**	–	146,674
Others	**9,867**	3,959	9,400
	P10,131,599	P946,892	P1,709,687

Withholding Taxes
The following are the amount of withholding taxes:

	2021	2020	2019
Creditable – at source	**P4,518,281**	P1,899,559	P–
Withholding taxes on compensation	**1,057,335**	561,984	–
	P5,575,616	P2,461,543	P–

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, 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, 2021:

Revenue
The Company has not yet started commercial operations and did not earn any revenue.

Cost of Sales
The Company has not yet started commercial operations and did not incur any cost of sales.

Non-operating and Taxable Other Income
The Company has not yet started commercial operations and did not earn non-operating and taxable other income.

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

	Exempt	RCIT
Taxes and licenses	P–	P10,131,599
Salaries and wages	–	6,970,050
Honorarium	–	4,800,000
Professional fees	–	1,511,184
Depreciation	–	156,069
Rent	–	144,000
Office supplies	–	111,977
Transportation and travel	–	96,879
Outside services	–	84,910
Utilities	–	48,755
Advertising	–	46,980
Meetings and conferences	–	41,609
Marketing	–	35,416
Trainings and seminars	–	30,000
SSS/PhilHealth/HDMF	–	27,660
Repairs and maintenance	–	10,610
Donation	–	8,000
Miscellaneous	–	386,619
	P–	P24,642,317

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

	Exempt	RCIT
Documentary stamp tax	P–	P5,507,420
Land registration authority	–	4,546,527
Real property tax	–	64,270
SEC filing fees	–	3,515
Others	–	9,867
	P–	P10,131,599

MOORE

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PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

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.)
Aklan Polyclynic and Drugstore, Goding Ramos Street
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, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated April 3, 2022. 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, 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: **MENDOZA QUERIDO & CO.**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
SEC Accreditation No. 84807-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022,
January 25, 2022, valid until January 24, 2025
PTR No. 8856593, January 7, 2022, Makati City

April 3, 2022

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Schedule A – Financial Assets
December 31, 2021

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 and cash equivalents				
Cash in banks	Not applicable	P85,619,715	Not applicable	P24,357

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, 2021

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, 2021

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, 2021

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	P195,000,000	P–	P195,000,000

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, 2021

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, 2021

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, 2021

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	209,800	–	–	77,970	131,830
	240,000	210,400	–	–	78,200	132,200

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, 2021

Deficit, beginning	(P28,830,560)
Net loss during the period	(24,617,960)
DEFICIT, END	(P53,448,520)

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Schedule of Financial Soundness Indicators
December 31, 2021 and 2020

Ratio	Formula	2021	2020
Current ratio	Current Assets / Current Liabilities	0.81:1	0.46:1
Acid test ratio	Current Assets – Prepayments / Current Liabilities	0.81:1	0.41:1
Solvency ratio	Net Income + Depreciation / Total Liabilities	NA	NA
Debt-to-equity ratio	Total Liabilities / Total Equity	1.21:1	0.78:1
Asset-to-equity ratio	Total Assets / Total Equity	2.21:1	1.78:1
Interest rate coverage ratio	Operating EBITDA / Net Interest	NA	NA
Return on assets	Net Income / Average Total Assets	NA	NA
Return on equity	Net Income / Average Total Equity	NA	NA
Net profit margin	Net Income / Total Revenue	NA	NA
Operating EBITDA margin	Operating EBITDA / Net Revenue	NA	NA

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

ANNEX B

ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC.

Summary of 17-C REPORT 2021

July 4, 2021

- Appointment of Directors and Officers

December 2, 2021

- Approval of Manual on Corporate Governance