APMC Compliance <compliance@apmcaklan.com>

MSRD_Asia Pacific Medical Center -Aklan Inc. (formerly: Allied Care Experts (ACE) Medical Center - Aklan Inc.)_SEC FORM 17Q_14November2024

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Thu, Nov 14, 2024 at 4:40 PM
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Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

REPUBLIC OF THE PHILIPPINES)
Kalibo, Aklan) S.S.

CERTIFICATION

I, **SIMEON A. ARCE, JR.**, President of **Asia Pacific Medical Center (APMC) - Aklan Inc. formerly Allied Care Experts (ACE) Medical Center-Aklan Inc.**, with SEC registration number **CS201739437** with principal business office at **Judge Martelino Road, Brgy. Andagao, Kalibo, Aklan**, on oath state:

1) That on behalf of **Asia Pacific Medical Center (APMC)- Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center-Aklan Inc.)**, I have caused this **17 - Q** dated 14 November 2024 to be prepared;
2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3) That the company **Asia Pacific Medical Center (APMC) - Aklan Inc. (formerly Allied Care Experts (ACE) Medical Center-Aklan Inc.),** will comply with the requirements set forth in SEC Notice dated October 9, 2023 for a complete and official submission of reports and/or documents through electronic mail; and
4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 14 NOV 2024 day of November 2024 at Kalibo, Aklan.

SIMEON A. ARCE, JR.
President

SUBSCRIBED AND SWORN to before me this 14 NOV 2024 day of November 2024 at Kalibo, Aklan Philippines, affiant personally appeared and exhibited to me his PRC ID No. 0068829 issued on 03/06/1990, at Manila and valid until 05/12/2026.

ROMEO P. INOCENCIO
Notary Public for the Province of Aklan
Appointment No. 1 (2023-2024)
Until December 31, 2024
Roll No. 35274
XIX Martyrs St., Kalibo, Aklan
IBP No. 296844(MD2024)/12/20/2023/Pasig City
PTR No. 8718849/01/03/2024/Kalibo, Aklan
MCLE Compliance No. VII-0001782
Issued on December 02, 2019

NOTARY PUBLIC

Doc. No. 480
Page No. 97
Book No. 30
Series of 2024.

COVER SHEET

SEC Number
CS201739437
File Number _____

ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.)
(Company's Full Name)

Judge Martelino Road, Barangay Andagao, Kalibo, Aklan
(Company's Address)

(+63)9190963082 / (+63)9178146042
(Company's Telephone Number)

2024 December 31
(Fiscal Year Ending-Month and Day)

SEC FORM 17-Q
(FORM TYPE)

30 September 2024
Period Ended Date

(Amendment Designation, if applicable)

(Secondary License Type, if any)

SECURITIES AND EXCHANGE

COMMISSION SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2024**

2. SEC Identification Number CS201739437

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
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

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

8. (+63)9178146042 / (+63)9100803082
   Issuer's telephone number, including area code

9. Aklan Polyclinic and Drugstore, Goding Ramos Street, 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	214,460

The total outstanding debt of the company as of September 30, 2024 is PHP 1,918,837,036

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [ ] No [√]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein: N/A

12. Indicate by check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 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 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 [ ]

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PART I – FINANCIAL INFORMATION

Item I. Financial Statements

The unaudited financial statements of Asia Pacific Medical Center (APMC) – Aklan Inc. (Formerly Allied Care Experts (ACE) Medical Center – Aklan Inc.) (the Company) as at and for the period ended September 30, 2024 (with comparative figures as at September 30, 2023) are filed as part of this Form 17-Q as Annex "A".

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as Annex "B".

PART II – OTHER INFORMATION

Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

Signature and Title

Date Nov. 14, 2024

DR. SIMEON A. ARCE, JR.
President

Signature and Title

Date Nov. 14, 2024

BONNIE LEE S. DELA TORRE
Chief Finance Office

Annex "A"

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

(Amounts in Philippine Pesos)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
ASSETS		
Current Assets		
Cash *(Notes 2,3, and 4)*	51,296,424	9,103,939
Receivables*(Notes 2,3,4 and 5)*	101,510,353	298,515
Inventories *(Notes 2, and 6)*	18,605,700	
Advances to Officers, Employees and Members	30,615	
Advances to contractors *(Note 2 and 7)*	193,574,383	174,302,174
Advances to Suppliers *(Note 2 and 8)*	76,370,835	63,487,713
Prepayments and other current assets (*Note 9)*	19,035,436	
Total Current Assets	460,423,746	247,192,341
Noncurrent Assets		
Property and equipment – net (Notes 2 and 10)	1,723,335,150	1,337,739,030
Deposits	2,517,314	2,517,314
Total Noncurrent Assets	1,725,852,464	1,340,256,344
TOTAL ASSETS	2,186,276,210	1,587,448,685
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables *(Notes 2 and 11)*	171,401,846	39,218,633
Retention payables *(Notes 2 and 12)*	48,196,599	52,447,075
Advances from shareholders *(Notes 2,4,19, and 22)*	257,829,895	166,650,366
Advances from Lesse *(Notes 2 and 18)*	8,000	
Loans payable – current portion *(Notes 2 and 13)*	30,712,544	154,010,889
Total Current Liabilities	508,148,883	412,326,963
Noncurrent Liability		
Loans payable – noncurrent (*Notes 2 and 13)*	1,410,688,153	894,406,329
Total Liabilities	1,918,837,036	1,306,733,292
Equity		
Share capital (*Notes 2 and 14)*	215,060,000	215,060,000
Additional paid-in capital *(Notes 2 and 14)*	235,585,500	223,158,124
Retained Earnings (Deficit) (*Notes 2, 4 and 14)*	(183,206,326)	(157,502,731)
Total Equity	267,439,174	280,715,393
TOTAL LIABILITIES AND EQUITY	2,186,276,210	1,587,448,685

**See accompanying Notes to Financial Statements.*

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

STATEMENTS OF CHANGES IN EQUITY

SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

(Amounts in Philippine Pesos)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
SHARE CAPITAL*(Notes 2 and 14)*	**215,060,000**	215,060,000
ADDITIONAL PAID-IN CAPITAL*(Notes 2 and 14)*	**235,585,500**	223,158,124
DEFICIT*(Notes 2,4 and 14)*		
Balance at beginning of the Period	**(225,302,613)**	(70,880,883)
Net Income (Loss)*(Note 20)*	**42,096,287**	(86,621,848)
Balance at end of the Period	**(183,206,326)**	(157,502,731)
	267,439,174	**280,715,393**

**See accompanying Notes to Financial Statements.*

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts in Philippine Pesos)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
GROSS REVENUES *(Note 15)*	**556,539,910**	
DISCOUNTS AND FREE SERVICES	**(77,079,444)**	
NET REVENUES	**479,460,466**	
COST OF SERVICES *(Note 16)*	**(297,879,007)**	
INCOME	**181,581,459**	
GENERAL AND ADMINISTRATIVE EXPENSES *(Note 17)*	**(123,696,530)**	(75,968,987)
OTHER INCOME	**4,562,158**	31,930
INCOME FROM OPERATIONS	**62,447,087**	(75,937,057)
FINANCE COSTS	**(20,358,387)**	(10,684,781)
PROVISION FOR INCOME TAX		(10)
PRIOR YEARS' ADJUSTMENT	**7,586**	
NET INCOME (LOSS)	**42,096,287**	(86,621,848)
INCOME (LOSS) PER SHARE	**196**	(403)

There was no other comprehensive income during the period ended September 2024.

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 PERIOD ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts In Philippine Pesos)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	42,096,287	(86,621,838)
Adjustments for:		
Finance Cost	20,358,387	10,684,781
Interest income *(Note 2)*	(51,977)	(30,930)
Depreciation *(Notes 2, 10,16, and 17)*	21,442,553	842,123
Income before working capital changes	83,845,250	(75,125,865)
Decrease (increase) in:		
Receivables *(Notes 2,3.4, and 5)*	(98,853,679)	(250,515)
Inventories *(Notes 2 and 6)*	(3,523,766)	
Prepayments and other current assets *(Note 9)*	(14,429,869)	64,270
Advances from Lesse (*Notes 2 and 18)*	8,000	
Increase in accounts and other payables *(Notes 2 and 11)*	32,646,531	34,542,535
Net cash used for operations	(307,533)	(40,769,574)
Interest paid	(20,358,387)	(10,684,781)
Income tax paid		(10)
Interest received	51,977	30,930
Net cash used in operating activities	**(20,613,943)**	**(51,423,434)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Retention from (release of) payment to contractors	(9,862,828)	14,078,231
Payment of deposits		(2,517,314)
Advances to Advances to Officers, Employees and Members	(30,615)	
Advance payments to suppliers *(Notes 2 and 7)*	(20,701,260)	(21,526,631)
Advance payments to contractors *(Notes 2 and 8)*	(8,824,514.)	(64,604,765)
Additions to property and equipment *(Notes 2 and 10)*	(137,736,644)	(541,636,311)
Net cash used in investing activities	**(177,155,862)**	**(615,206,789)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share Capital		
Proceeds from (payments of advances from stockholders) *(Notes 2,4,19, and 22)*	71,323,538	129,657,276
Proceeds from subscription of share capital *(Notes 2 and 14)*	6,727,500	22,940,624
Payments of loans payable *(Notes 2 and 13)*	103,000,000	463,417,218
Net cash provided by financing activities	**181,051,038**	**616,015,118**
NET INCREASE (DECREASE) IN CASH	**(16,718,766)**	**(50,615,106)**
CASH IN BANK AT BEGINNING OF PERIOD	67,083,756	59,719,045
CASH ON HAND AT BEGINNING OF PERIOD	931,434	
CASH EQUIVALENTS AT BEGINNING OF PERIOD	**68,015,191**	**59,719,045**
CASH IN BANK AT END OF PERIOD	50,668,485	9,103,939
CASH ON HAND AT END OF PERIOD	627,939	
CASH EQUIVALENTS AT END OF PERIOD	**51,296,424**	**9,103,939**

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. In accordance with the Revised Corporation Code (RCC), corporations incorporated before its effective date, such as the Company, now automatically have perpetual existence. This means the Company's corporate life is no longer limited to the original fifty-year term. The Company was established primarily to establish, maintain, operate, own, and manage hospitals, medical and healthcare-related facilities, and businesses, such as clinical laboratories, diagnostic centers, ambulatory clinics, scientific research institutions, educational facilities, and other allied services. These services include medical, surgical, nursing, therapeutic, paramedical, or similar care, with purely professional medical or surgical services being provided by duly qualified and licensed physicians or surgeons, who may or may not be connected with the hospitals. These professionals contract their services freely and individually with patients.

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

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.

On January 26, 2021, the Company applied with the SEC for a license to sell its securities to the general public pursuant to Sections 8 and 12 of the Securities Regulation Code (SRC). The application was approved on June 24, 2021 (see Note 9).

The Company has five hundred fifty (675) employees as at Sept 30, 2024.

2. Summary of Significant Accounting Policies and Disclosure

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 became effective except adoption of the following amendments effective beginning January 1, 2023. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>New Accounting Standards, Amendments to Existing Standards and Interpretations</u>

<u>Effective Subsequent to December 31, 2023</u>

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

Effective beginning on or after January 1, 2024

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

The amendments clarify how conditions with which an entity must comply within twelve months after the reporting date affect the classification of a liability. The amendments modify the requirements introduced by PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent,* on how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or noncurrent. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that noncurrent liabilities with covenants could become repayable within twelve months.
The adoption of this amendment is not expected to have any significant impact on the financial statements.

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

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

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

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, "*Insurance Contracts* "*

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

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

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

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

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

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

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

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

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

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 tc have any significant impact on the financial statements.

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

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

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

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

Deferred Effectivity

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

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

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

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

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

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

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

No Mandatory Effective Date

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

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

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

Material Accounting Policies

Current versus Noncurrent Classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

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

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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 2022 and 2021. The carrying amounts of other financial asset at amortized cost are as follows:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Cash in Bank	₱	50,668,485	₱	8,883,359
Receivables		101,510,353		298,515
	₱	152,178,838	₱	9,181,874

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 includes, 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 the 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 twelve months ended September 2024 and September 2023. The carrying amounts of nonfinancial assets are as follows:

		September 30, 2024		September 30, 2023
Property and equipment	₱	1,723,335,150	₱	1,337,739,030
Prepayments and Other current assets		19,035,436		
Advances to contractors		193,574,383		174,302,174
Advances to suppliers		76,370,835		63,487,713
	₱	2,012,315,804	₱	1,575,528,917

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 P 1,629,238,665 for September 2024 and P1,241,351,484 for September 2023

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.

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 2024 and 2023.

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. 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 9-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	September 30,2024			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL– not credit impaired	Lifetime ECL– credit impaired	Total
Cash in Banks	50,668,485			50,668,485
Receivables from Employees and Officers	3,165,041			3,165,041
Deposits		2,517,314		2,517,314
	53,833,526	**2,517,314**	**0**	**56,350,840**

	September 30,2023			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL– not credit impaired	Lifetime ECL– credit impaired	Total
Cash in Banks	8,883,359			8,883,359
Receivables from Employees and Officers	298,514			298,514
Deposits	0			0
	9,181,873	**0**	**0**	**9,181,873**

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 the 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 at September 30, 2024 and 2023 based on contractual and undiscounted payments.

As at September 30, 2024

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	₱ 148,226,131	₱	₱	₱	₱ 148,226,131.31
Retention payable		48,196,599			48,196,599
Advances from shareholders		257,829,895			257,829,896
Loan payable		30,712,544	877,481,707	533,206,446	1,441,400,696
	₱ 148,226,131	₱ 336,739,038	₱ 877,481,707	₱ 533,206,446	₱ 1,895,653,321
**Excluding government payables amounting to ₱ 1,786,293 as of September 30, 2024*					
Financial assets:					
Cash	51,296,424				51,296,424
Receivables	101,510,353				101,510,353
Deposits			2,517,314		2,517,314
	₱ 152,806,777	₱ 0	₱ 2,517,314	₱ 0	₱ 155,324,091

As at September 30, 2023

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Accounts and other payables*	₱ 37,233,331	₱	₱	₱	₱ 37,233,331
Retention payable		52,447,075			52,447,075
Advances from shareholders		166,650,366			166,650,366
Loan payable		154,010,889	247,459,157	646,947,172	1,048,417,218
	₱ 37,233,331	₱ 373,108,330	₱ 247,459,157	₱ 646,947,172	₱ 1,304,747,990
***Excluding government payables amounting to P1,985,302 as at September 30, 2023.*					
Financial assets:					
Cash	₱ 9,103,939	₱	₱	₱	₱ 9,103,939
Receivables	298,514				298,514
Deposits					0
	₱ 9,402,453	₱	₱	₱	₱ 9,402,453

Fair Values of Financial Instruments

The historical cost carrying amounts of the Company'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:

		September 30, 2023 (Unaudited)		**September 30, 2024 (Unaudited)**
Financial assets:				
Cash	₱	51,296,424	₱	9,103,939
Receivables		101,510,353		298,514
Deposits		2,517,314		0
	₱	155,324,091	₱	9,402,453
Financial liabilities:				
Accounts and other payables*	₱	148,226,131	₱	37,233,331
Retention payable		48,196,599		52,447,075
Advances from shareholders		257,829,895		166,650,366
Loan payable		1,441,400,696		1,048,417,218
	₱	1,895,653,321	₱	1,304,747,990

**Excluding government payables amounting to ₱ 1.786,293 as of September 30, 2024 and P1,985,302 as at September 30, 2023.*

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 twelve-month period ended September 30, 2024 and 2023.

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

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

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Share Capital	₱	215,060,000	₱	215,060,000
Additional Paid In Capital		235,585,500		223,158,124
Deficit		(183,206,326)		(157,502,731)
	₱	267,439,174	₱	280,715,393

5. Receivables

This account consists of:

		September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Patients Receivables	₱	98,345,312 ₱	
Receivables from employees and officers		3,165,041	298,515
Other receivables			
	₱	101,510,353 ₱	298,515

Patient receivables arise from healthcare, accommodation and other ancillary services which are generally, on a 15-60-day credit term. There is no concentration of credit risk with respect to patient receivables.

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

6. Inventories

This account consists of:

		September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Pharmaceutical products	₱	13,396,456 ₱	0
Laboratory and other hospital supplies		5,209,244	0
	₱	18,605,700 ₱	0

The cost of inventories recognized as expense and included in the cost of services amounted to P 81,227,981 in 2024.

7. Advances to Contractors

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

Advances to contractors amounted to P **193,574,383** and P 174,302,174 as of September 30, 2024 and September 30, 2023.

8. Advances to Suppliers

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

Advances to suppliers amounted to P 76,370,835 as of September 30, 2024 and P63,487,713 as of September 30,2023.

9. Prepayments and Other Current Assets

This account consists of:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Creditable VAT	₱	2,210	₱	
Creditable Withholding Tax		1,291,653		
Prepaid Expenses		4,959,653		
Input Tax		22,701,226		
	₱	19,035,436	₱	0.00

10. Property and Equipment

	September 30, 2023 (Unaudited)	Additions	Disposal	**September 30, 2024 (Unaudited)**
Cost:				
Land	₱ 94,096,485	₱ 0	₱	₱ **94,096,485**
Construction in progress	979,499,261	220,581,197		**1,200,080,458**
Machineries, Tools and Equipment	187,581,765	188,053,827		**375,635,592**
Kitchen, Canteen & Catering Equipment/ Utensils		28,411		**28,411**
Furnitures & Fixtures	67,488,786	1,888,515		**69,377,301**
Transportation equipment	4,474,826	0		**4,474,826**
Computerization	3,148,000	413,218		**3,561,218**
Linens and Uniforms	0	2,692,224		**2,692,224**
Leasehold improvements	58,107			
	₱ 1,336,347,230	₱ 413,657,392	₱ 0	₱ **1,749,946,515**
Accumulated depreciation:				
Machineries, Tools and Equipment	₱	₱ 19,488,378	₱	₱ 19,488,378
Kitchen, Canteen & Catering Equipment/ Utensils		395		395
Furnitures & Fixtures	841,154	4,955,851		5,797,005
Transportation equipment		434,309		434,309
Computerization		891,278		891,278
Leasehold improvements	58,107			
	₱ 899,261	₱ 25,770,211	₱ 0	₱ 26,611,365
Net book value	₱ 1,335,447,969	₱ 387,887,181	₱ 0	₱ 1,723,335,150

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 buildings under construction to be used as hospitals upon completion.

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

As certified by construction managers, the estimated percentage of completion as at September 30, 2024 are as follows:

Description	**Progress Report**
Civil Structural Works	100%
Architectural & Fit-out Works	94.91%
Plumbing Works	95.40%
Fire Protection Works	93.62%
Electrical Works	100%
Mechanical Works	93.97%
Electronics & Auxiliary Works	100%
Medical Gas	99.60%
Site Development & Auxiliary Works	100%
Perimeter Fence & Road Networks	100%

Overall percentage completion of the construction of the hospital building as at September 30, 2024 is at 97.79%.

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

The carrying values of the mortgaged property amounted to P 1,717,081,708 as at September 30, 2024.

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

11. Accounts and Other Payables

This account consists of:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Accounts payable	₱	157,220,077	₱	37,230,299
SSS/PHIC/HDMF payables		611,227		1,564,447
Withholding tax payable		1,175,066		420,855
Other payables		11,454,181		3,032
	₱	**170,460,551**	₱	**39,218,633**

12. **Retention Payable.**

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

Retention payable totaled P48,196,598 and P 52,447,075.00 as of September 30, 2024 and 2023, respectively.

13. Loans Payable

		September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable quarterly beginning February 28, 2025, until November 29, 2033. The effective interest rate is 5% per annum and payable quarterly. All loans are secured by the Company's real properties (see Note 10). The loan proceeds were used to finance the construction of the hospital building.	1,100,000,000	585,000,000
DBP	The Company availed long-term loans in tranches from DBP. The principal amount is payable quarterly beginning May 10, 2024, until February 10, 2033. The effective interest rate is 6.40%per annum and payable quarterly. All loans are secured by the Company's real properties (see Note 10). The loan proceeds were used to finance the medical instruments, furniture, and appliances.	331,400,696	309,406,329
Phil Pharmawealth Inc.	Short-term loans availed in 2023 are payable after one month from execution of the loan agreement and bearing an interest of 7% to 8.5% per annum. The loan proceeds were used to finance the construction of the hospital building and pay off	-	
Aklan Zion Ventures Inc.	Short-term loans are payable after one month from execution of the loan agreement and bearing an interest of 8.50% per annum. The loan proceeds were used to finance the construction of the hospital building and pay off advances used as bridge financing to construction.	10,000,000	139,010,889
APMC Bacolod	Short-term loans are availed in tranches,First tranched released on September 15, 2023,second tranched on September 21, 2023 and last tranched on September 22, 2023, payable after fourteen calendar days from the last tranched bearing an interest of 7.89% per annum. The loan proceeds were used to finance the construction of the hospital building	-	15,000,000
	TOTAL	1,441,400,696	1,048,417,218
	Less current portion	30,712,543	154,010,889

	1,410,688,153	**894,406,329**

Borrowing costs incurred from the loan related to construction of hospital building were capitalized as part of the construction in progress amounted to P59,811,871 and P36,114,513 in September 2024 and September 2023, respectively.

Borrowing costs incurred from the loan amounted to P 20,358,387 in September 2024, and P10,684,781 for September 2023 were charged to operations.

14. Share Capital

This account consists of:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Authorized share capital				
600 founders' share at P1,000 par value	₱	600,000	₱	600,000
239,400 common shares at P1,000 par value		239,400,000		239,400,000
	₱	240,000,000	₱	240,000,000
Subscribed Share Capital				
600 founders' share at P1,000 par value	₱	600,000	₱	600,000
Less: Subscription Receivable		0		0
	₱	600,000	₱	600,000
214,460 Common shares at ₱ 1,000.00 par value	₱	214,460,000	₱	214,460,000
Less: Subscription Receivable		0		0
	₱	214,460,000	₱	214,460,000
	₱	215,060,000	₱	215,060,000

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 Registered*	Issue/Offer Price Per Block
June 24, 2021	1,942	P250,000
June 24, 2021	1,200	300,000
June 24, 2021	400	350,000

**10 shares per block*

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

15. Gross Revenue

This account consists of:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Inpatient and Outpatient	₱	519,300,074	₱	-
Pharmacy		8,396,444		-
Emergency		29,397,341		-
	₱	557,093,859	₱	-

The Company's revenue consists mainly of services for which revenues are recognized over time. The fulfillment of emergency and out-patient services takes one (1) day, while in-patient services take an average of six (6) days.

16. Cost of Services

This account consists of:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Purchases	₱	1,652,681	₱	-
Cost of Services		58,011		-
Medical Supplies		31,882,830		-
Medicine Supplies		49,345,152		-
Salaries & Wages		48,848,520		-
Employees' Benefits		111,691		-
Professional and Consultancy Fees		133,763,330		-
Per Diem		50,000		-
Retainer's Fee		25,000		-
Insurance		586,454		-
OTHER LOSSES		4,405		-
Cost of Services – Ancillary Ambulance Fee		120,500		-
Repairs and Maintenance		66,332		-
Gas, Oil & Lubricants		360,253		-
Depreciation		8,856,627		-
SSS Premium Contribution		5,233,604		-
Philhealth Premium Contribution		1,168,325		-
Pagibig Premium Contribution		519,470		-
Travel and Transportation		111,374		-
Communication		227,294		-
Miscellaneous		17,686		-
Utilities Expense		13,708,635		-

Cost of waste disposal	1,331,371	-
Blood Processing Fee- Laboratory	221,400	-
Training/ Seminars	129,227	-
	₱ 298,400,169	₱ -

17. **General and Administrative Expense**

This account consists of:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Advertising & Promotion	₱ 151,468	₱ 637,850
Professional and Consultancy Fees	5,481,114	561,126
Salaries & Wages	59,350,817	53,222,996
Taxes, Fees and Charges	2,303,577	4,232,239
Gas, Oil & Lubricants	714,238	1,787,596
Honorarium and Allowances and Per Diem	2,602,000	740,000
Meetings and Conferences	108,824	289,142
Trainings/ Seminars	393,164	1,895,904
Utilities Expense	13,835,264	2,780,421
Repairs & Maintenance	214,419	26,379
Miscellaneous Expense	116,272	365,633
Depreciation	12,585,926	842,123
SSS/PhilHealth/HDMF	4,629,697	5,363,100
Outside services		1,265,944
Supplies	13,838,919	1,126,270
Communication	1,010,664	
Representation	226,709	160,362
Periodicals, Magazines & Subscription	278,997	
Employees Benefits	51,785	
Travel & Transportation	93,445	240,949
Insurance	1,001,601	217,119
Freight Out/Delivery Expenses	14,808	
Permit and Licenses	271,456	
Bank Charges	271,729	
Other Services	2,000	
Corporation Celebration Expense	14,070	
Signing Bonus Expense	1,650,000	
Meals		33,835
Rent		180,000
General Support Services	2,474,776	

₱ 123,687,739	₱ 75,968,988

18. Lease Agreement

The company signed a lease agreement with a stockholder for its office space. The lease began on February 28, 2018, and the company paid a monthly rent of P12,000. The lease was terminated in October 2023. As of September 30, 2024, the company has no remaining commitments under non-cancellable operating leases.

19. Related Party Disclosure

A related party relationship exists when one party has the ability to control, either 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. This relationship can also exist between entities that are under common control with the reporting enterprise, as well as its key management personnel, directors, or shareholders.

When considering each related party relationship, it's important to focus on the substance of the relationship, rather than just its legal form. Related parties may include both individuals and corporate entities.

The following are the details of related party transactions:

	Year	Classification	Terms and Conditions	Amount of the transaction	Outstanding Balance
Shareholders	September 30, 2024	Advances from Shareholders	Unsecured, unguaranteed, Non-interest bearing to 5% interest per annum, without definite call dates, and payable in cash of thru debt-equity conversion or future availment of stock rights and option	₱ 71,323,538	₱ 257,829,895
	September 30, 2023			₱ 139,152,692	₱ 166,650,366
Phil Pharmawealth Inc.,	September 30, 2024	Loans Payable	Unsecured, interest bearing, payable in installment, payable after one month from execution of the loan agreement.	₱ 47,000,000	₱ -
	September 30, 2023			₱ 139,010,889	₱
	September 30, 2024	Finance Cost		₱ 267,110	₱ -
	September 30, 2023			₱ 491,470	₱ -
APMC- BACOLOD	September 30, 2024	Loans Payable	Unsecured, interest bearing of 7.89% payable per annum after 14 calendar days from the last tranche	₱ -	₱ -
	September 30, 2023			₱ 15,000,000	₱ 15,000,000
Shareholder	September 30, 2024	Rent	Unsecured, noninterest-bearing, payable monthly	₱	₱
	September 30, 2023			₱ 180,000	₱ 180,000
Aklan Zion Ventures Inc.,	September 30, 2024	Loans payable	Unsecured, noninterest-bearing, payable after one month from execution of the loan agreement	₱ 10,000,000	₱ 10,000,000
	September 30, 2023			₱ -	₱ -
Aklan Zion Ventures Inc.,	September 30, 2024	Finance Cost		₱ 677,671	₱

	September 30, 2023	₱	-	₱	-

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.	Acknowledgment Receipt
Aklan Zion Ventures	Other related party	Loans from other related parties as support for the construction of Company's hospital building and pay-off advances.	Loan agreement
Phil Pharma wealth, 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
APMC- Bacolod	Other related party	Loans from other related party as support for the construction of Company's hospital building.	Loan agreement
Shareholder	Shareholder	The shareholder, leased a temporary office space to the company.	Lease Contract

Compensation of Key Management Personnel

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

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Honorarium and per Diems	₱	2,592,000	₱	740,200
Salaries and Wages		5,300,000	.	6,302,624
	₱	7,892,000	₱	7,042,824

20. **Income Tax**

There is no provision for income tax for 2023 and 2022 because the Company has not yet started commercial operation.

As at September 30, 2024, the Company has NOLCO before taxable years 2023 and 2022 which can be carried forward as a deduction for the next three consecutive taxable years immediately following the year of such loss, under certain conditions, as provided under Section 34(D) of the Tax Code. Details are as follows:

Date Incurred	**Amount**	**Applied/ Expired**	**Remaining Balance**	**Expiry Date**
December 31, 2023	P154,329,297	P–	P154,329,297	2026
December 31, 2022	17,507,127	–	17,507,127	2025
	P22,302,642	**P–**	**P22,302,642**	

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

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

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Net Income Before Income Tax	₱	42,096,287	₱	(21,655,460)
Add(Deduct) Permanent Differences:				
Interest Income subject to Final tax		(33,986)		7,733
Taxable Income	₱	42,062,300	₱	(21,655,460)
Tax Due		-		-

While the Company has accumulated Net Operating Loss Carryover (NOLCO) from prior years, it cannot utilize the NOLCO during the ITH period. Under Philippine tax rules, NOLCO is only applicable once the ITH period expires, provided that it is still within the allowable carryover period. Therefore, the NOLCO remains unutilized during the ITH period, with no impact on reducing taxable income until the ITH incentive period concludes.

Consequently, due to the combination of ITH and the temporary inapplicability of NOLCO, the Company's income tax due is zero for the current reporting periods.

21 Income Per Share

Basic loss per share is computed as follows:

		September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)
Net Income(Loss)	₱	42,096,287	₱	(86,624,848)
Weighted Average number of shares outstanding		**215,060**		215,060
Basic Earnings(Loss) per share	₱	195	₱	(402)

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

22. Changes in Liabilities Arising from Financing Activities

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

	September 30, 2024 (Unaudited)	Cash Flow	September 30, 2023 (Unaudited)
Advances from shareholders	257,829,895	91,179,529	166,650,366
Loans payable	1,441,400,696	392,983,478	1,048,417,218

	1,699,230,591	484,163,007	1,215,067,584

23. **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.

Other Matters

For the quarter, there were no significant events or transactions affecting the Company's financial condition or performance that haven't already been reported in the financial statements. Below are specific points regarding the Company's status:

- **Estimates:**

  There were no notable changes in accounting estimates used by the Company. These estimates continue to reflect management's best judgment.

- **Subsequent Events:**

  After the end of the quarter, no major events occurred that would affect the information presented in the interim financial statements.

- **Company Structure:**

  There were no changes in the Company's structure. This means that there were no mergers, acquisitions, or disposals that affected the Company's composition.

- **Contingent Liabilities and Assets:**

  There were no updates or changes in contingent liabilities or assets. This includes any possible obligations or potential gains that are not yet certain.

- **Material Contingencies:**

  The Company did not encounter any significant risks or uncertainties, nor were there any unusual events or transactions that could have a major impact on its financial situation.

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

Schedule A – Financial Assets

September 30, 2024

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value based on Market Quotations at End of Reporting Period	Income Received and Accrued
Cash				
Cash in banks	Not applicable	P 50,668,485	Not applicable	P 51,977

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)

September 30, 2024

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
September 30, 2024

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
September 30, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position
Term Loan	P1,441,400,696	P30,712,544	P1,410,688,153

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)
September 30, 2024

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
September 30, 2024

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

September 30, 2024

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

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

MAP OF THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

September 30, 2024

Not Applicable

EXPLANATION ON NON- APPLICABILITY OF CONGLOMERATE MAP

Asia Pacific Medical Center- Aklan Inc., Asia Pacific Medical Center-Bacolod, Inc. and Asia Pacific Medical Center - Iloilo, Inc. are not affiliate companies nor sister companies because they do not operate under one parent company. They are related only because the Chairman of the three companies, Dr. Ferjenel G. Biron, is one and the same person and they have interlocking directors and shareholders and common officers as follows:

Name of Stockholder	Percentage of Ownership and Position in APMC Aklan	Percentage of Ownership and Position in APMC Bacolod	Percentage of Ownership and Position in APMC Iloilo
Biron, Ferjenel G.	4.74%/ Chairman	8.22%/ Chairman	19.96%/ Chairman
Biron, Bryant Paul Q.	1.95%	1.61%	8.81%
Biron, Brandt Luke Q.	7.16%	1.61%	9.12%
Biron, Braeden John Q.	1.95%	1.61%	8.81%
Barrameda, Romulo S.	1.58%	None	0.79%
Comuelo, Jerusha A.	1.58%/Independent Director	0.76%	1.44%/Independent Director
Lavilla, Meride D.	3.16%/ Director	10.09%/ Director	2.92%/ Director
Lavalle Jr., Amado M.	1.58%	2.38%	1.55%/ President
Minerva, Ike T.	1.58%	2.31%	1.42%

Regozo, Danilo C.	1.58%/ Director	2.85%/ Executive Vice President	1.56%/. Executive Vice President
Villaflor, Agnes Jean M.	1.58%	0.76%	1.57%/ Director
Fernandez, Lemuel T.	1.58%	None	0.81% Asst. Treasurer
Ramirez, Ruben B.	1.58%	None	2.48%
Samoro, Fredilyn G.	1.58%	None	4.28% /Director

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Aging of Loans and Other Receivables
AS OF SEPTEMBER 30, 2024
(Amounts in Philippine Peso)

	TOTAL	1 Month	2-3 Mos.	4-6 Mos.	7 mos to 1 year	1 - 5 Years	5 Years and Above	Nature and Description	Collection Period
Advances to contractors	**193,574,383**		-	–	193,574,383		–	Downpayment to contractors liquidated via deduction every billing	One year
Advances to Supplier	**76,370,8345**		–	–	76,370,835		–	subject for collection	On-demand
Advances to Officers, Employees and Members	**30,615**	**30,615**						subject for collection	On-demand
TOTAL	**269,975,833**	30,615	0.00	0.00	269,945,218	0	0		

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center - Aklan Inc.)
Schedule of Financial Soundness Indicators
September 30, 2024

Financial KPI	DEFINITION	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Current Ratio	Current Asset / Current Liabilities	0.96:1	0.60:1
Acid test ratio	Current Asset less Inventory and Prepayments / Current Liabilities	0.89:1	0.60:1
Net Debt-to-equity ratio	Total Liabilities- Cash / Total Equity	6.98:1	-0.04:1
Debt-to-equity ratio	Total Liabilities / Total Equity	7.17:1	4.62:1
Asset-to-equity ratio	Total Assets / Total Equity	8:17:1	5.66:1
Return on assets	Net Income / Average Total Assets	0.02:1	-0.07:1
Return on equity	Net Income / Average Total Equity	0.15:1	0.28:1
Net profit margin	Net Income / Total Revenue	0.33:1	0
Operating EBITDA margin	Operating EBITDA / Net Revenue	0.11:1	0

ASIA PACIFIC MEDICAL CENTER (APMC) - AKLAN INC.

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

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

SEPTEMBER 30, 2024

DEFICIT	
Balance at beginning of the Period	**(225,302,613)**
Net Income	**42,096,287**
Balance at end of the Period	**(183,206,326)**

Annex "B

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations for the Second Quarter ended September 30, 2024.

Discussion of Financial Condition and Results of Operation

Statements of Financial Position
September 30, 2024 and September 30, 2023

Cash and Cash Equivalents

The net cash and cash equivalents increased by P42,192,485, or 463.45%, from P9,103,939 as of September 30, 2023, to P51,296,424 as of September 30, 2024. This substantial growth is primarily due to expanded revenue streams from inpatient and outpatient services, medical records, the canteen, and the pharmacy. These revenue increases underscore the hospital's strengthened financial position and its success in meeting the needs of a growing patient base.

Receivables

The significant increase in receivables, totaling P101,510,353, is largely attributed to a rise in inpatient and outpatient volumes, along with expanded coverage from PhilHealth, Health Maintenance Organizations (HMOs), and guarantee letters from key governmental and local organizations such as the Department of Social Welfare and Development (DSWD), the Philippine Charity Sweepstakes Office (PCSO), and Local Government Units (LGUs). This growth in receivables underscores the hospital's expanding patient base and the strengthened support from various health funding sources, reflecting a robust alignment with both national and local healthcare initiatives.

Inventories

As of September 30, 2024, the hospital's inventory of pharmaceuticals and medical supplies amounted to P18,605,700 This inventory reflects an essential investment in the initial operations of the hospital, ensuring it is well-stocked to meet the demands of a new and growing patient base. The comprehensive inventory includes vital medications and medical supplies necessary to support various departments, allowing the hospital to provide consistent, high-quality care from the outset. This stock level is crucial for maintaining uninterrupted services and responding effectively to patient needs as operations continue to expand.

Prepayments and other current assets

The rise in prepayments for the period was mainly due to Increased Input taxes from purchases, Creditable VAT, and Creditable Withholding Tax. Also, there has been a significant increase in the company's Prepaid expenses.

Trade and Other Payables

A comparison between September 30, 2023, and September 30, 2024, shows a substantial increase of 437.04% in trade and other payables, rising from P39,218,633 to P171,401,846. This increase is primarily due to the purchase of medicines and medical supplies on credit, undertaken to meet the demands of a growing patient volume. Additionally, the increase reflects the costs of essential supplies and equipment for various departments.

Retention payable

The P4,250,476 reduction in retention payable is attributed to funds disbursed to contractors for projects involving wastewater treatment, electronics and auxiliary systems, and civil and structural works.

Advances from Shareholder

The increase of P91,179,529 in shareholder advances reflects a substantial and valuable source of funding that has significantly supported the hospital's operational needs. This additional capital from shareholders demonstrates their commitment to sustaining the hospital's financial stability and enabling it to meet both ongoing operational expenses and potential growth opportunities. Such advances are essential in maintaining smooth operations, particularly in addressing rising costs associated with patient care, staffing, and facility maintenance. This infusion of shareholder funds not only reinforces financial resilience but also enhances the hospital's capacity to deliver quality healthcare services.

Statements of Comprehensive Income
September 30, 2024 and September 30, 2023

Gross Revenue

The gross revenue of P556,539,910 reflects the hospital's expanding patient base and the broadening scope of medical services available since the start of its operations. This growth was further supported by the opening of additional floors dedicated to specialized services at APMC-Aklan, enabling the hospital to accommodate a larger volume of patients. The expansion also fostered an increase in referrals from other healthcare providers seeking specialized treatment options, further enhancing revenue streams and solidifying the hospital's position as a regional center for advanced care..

General and Administrative Expenses

Operating additional floors and expanding healthcare services have led to an increase in costs, with general operating expenses rising by P47,727,543. This increase is largely due to the substantial financial investment required for construction, renovation, and the provision of medical facilities and equipment. Furthermore, maintaining these additional floors has resulted in elevated utility and maintenance expenses. The expansion has also necessitated the hiring of additional medical staff and support personnel to deliver the broader range of services, contributing further to operational costs.

Income for the Period

Driven by an increase in patient volume, a growing number of referrals, and the expanded range of medical services offered, the hospital achieved a net income of P42,096,287 as of September 30, 2024. This represents a significant turnaround from the loss of P86,621,848 recorded as of September 30, 2023, underscoring a remarkable improvement in profitability and operational performance over the past year.

Discussion of Top Five (6) Key Performance Indicators

Discussed below are the key performance indicators of the Company:

Current/Liquidity Ratios

To finance the hospital's operations and meet short-term obligations, management has implemented a strategy to closely monitor the collection of receivables from patients and third-party entities, including insurance companies, government health programs such as PHIC, the Department of Social Welfare and Development (DSWD), the Philippine Charity Sweepstakes Office (PCSO), and Local Government Units (LGUs). As a result of these efforts, the company's current ratio improved from 0.60 as of September 30, 2023, to 0.91 as of September 30, 2024. This increase reflects the hospital's enhanced ability to meet its short-term liabilities.

Additionally, the hospital's quick ratio rose from 0.02 to 0.30, indicating that while the company is still not fully able to meet its immediate obligations, it is in a stronger position to do so compared to the previous year.

Solvency/Debt-to-equity ratios

As of September 30, 2024, the debt-to-equity ratio stood at 717%, an increase from 466% on the same date in 2023. This higher ratio indicates that the company is increasingly relying on debt to finance its expansion efforts. The focus on growth and the execution of various expansion projects has necessitated additional borrowing, resulting in a greater reliance on debt to fund these initiatives.

Profitability ratios

The company's operating income to profit margin ratio of 0.11 and net income ratio of 0.33 as of September 30, 2024, provide key insights into its financial performance. The operating income to profit margin ratio of 0.11 indicates that after covering operational expenses, the company retains a modest profit, reflecting an average level of profitability.

The net income ratio of 0.33 suggests that the company is generating a relatively low profit after accounting for all expenses, including service costs. These ratios highlight that while the company remains profitable, there is potential for improving its profitability by optimizing operational efficiency and managing debt more effectively.

Asset to equity ratio

As of September 30, 2024, the company's ratio stands at 8.17, reflecting a notable increase from 5.66 on 2023. This rise in the ratio indicates the company's growing reliance on debt to finance its operations, with limited growth in equity over the same period. The elevated ratio highlights that the company now holds a significant amount of assets relative to its equity, signaling a higher leverage position. The increase in assets is primarily driven by the company's ongoing expansion plans, which have necessitated additional borrowing to fund new projects and operations.

Return on Assets

As of September 30, 2024, the company's return on assets ratio increased to 0.02, up from 0.07 on September 30, 2023. This represents a decrease of 0.05 year-over-year. While there was an increase in the ratio, it remains relatively low, indicating a financial loss primarily due to the company's reliance on debt as leverage.

Return on Equity

Between September 30, 2023, and September 30, 2024, the company's return on equity improved from -0.28 to 0.15, reflecting positive income generation over the period. This increase indicates that the company has started to generate a profit on shareholder investments, demonstrating an improvement in profitability and a stronger return for shareholders.

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

	September 30, 2024 (Unaudited)		September 30, 2023 (Unaudited)	
A. Liquidity Ratio				
a. Current Ratio				
Current Asset	460,423,746	0.91	247,192,341	0.60
Current Liabilities	508,148,883		412,326,963	
b. Quick Ratio				
Current Asset less Inventory and Prepayments	152,806,777	0.30	9,402,454	0.02
Current Liabilities	508,148,883		412,326,963	
B. Debt to Equity Ratio				
Total Liabilities	1,918,837,036	7.17	1,306,733,292	4.66
Total Equity	267,439,175		280,715,393	
C. Net Debt to Equity Ratio				
Total Liabilities - Cash	1,867,540,611	6.98	1,297,629,353	4.62
Total Equity	267,439,174		280,715,393	
D. Gross Profit Ratio				
Gross Profit	181,581,459	0.33	0	0.00
Gross Revenue	556,539,910		0	
E. Net Income from Operations to Profit Margin Ratio				
Income from Operations	62,447,087	0.11	0	0.00
Gross Revenue	556,539,910		0	
F. Asset to Equity Ratio				
Total Assets	2,186,276,210	8.17	1,587,448,685	5.66
Total Equity (including non-controlling interest)	267,439,174		280,715,393	
G. Profitability Ratio				
a. Return on Assets				
Net Income	42,096,287	0.02	(86,621,848)	(0.07)
Total Average Assets	1,886,862,443		1,299,467,640	
b. Return on Equity				
Net Income	42,096,287	0.15	(86,621,848)	(0.28)
Total Average Equity	274,077,284		312,587,470	

Discussion and Analysis of Material Events and Uncertainties

1.Liquidity Challenges Due to Operational Expansion

The company's current and quick ratios have shown improvement but remain below the ideal threshold of 1.0, indicating liquidity constraints. This is consistent with the company's recent expansion, including the opening of additional floors, which has driven up current liabilities more than current assets. The need for increased funding to support higher operational capacity has required the company to acquire more medical supplies and medicine on credit, impacting liquidity ratios. While the expansion supports growth, it also highlights the importance of careful liquidity management to meet short-term obligations.

2.No Off-Balance Sheet Transactions or Relationships

The analysis shows that the company's financial position heavily relies on debt, as reflected in high debt-to-equity ratios. However, there is no indication of off-balance sheet transactions or undisclosed relationships that could add hidden financial risk. This aligns with the statement that the company has not engaged in any major off-balance sheet arrangements, ensuring transparency in its disclosed liabilities.

3.No Material Impact on Income from Continued Operations

The return on assets and operating profit margins indicates stable performance, without any significant changes that would materially impact income from continued operations. The consistency in gross profit margins and the moderate improvement in net income ratios suggest that the company has maintained steady operational profitability. This supports the statement that no known trends or uncertainties are expected to materially affect income from ongoing operations.

4.Significant Capital Expenditures

The increase in debt-to-equity and asset-to-equity ratios indicates substantial capital expenditures, likely to support expansion initiatives. The new floors and additional medical facilities contribute to a larger asset base and higher debt obligations. This aligns with the statement that the company made significant capital expenditure commitments during the reporting period, highlighting its focus on growth through increased capacity, albeit with higher financial leverage.

5.Seasonal Impact on Financial Performance

As a hospital, the company is likely to experience seasonal fluctuations that impact patient volumes and revenue generation. For instance, patient admissions and demand for services typically rise during certain times, such as flu season or during health outbreaks. Although the provided data does not explicitly reveal these fluctuations, the nature of the healthcare industry suggests that seasonality could materially influence financial performance. Monitoring these seasonal trends and their impact on the hospital's revenue, expenses, and cash flows will be crucial for better understanding and managing these variations in future reporting periods.