

SEC Number : CS201702182
File Number : _____

**ALLIED CARE EXPERTS (ACE) MEDICAL
CENTER-PALAWAN INC.**

(Company's Full Name)

**JOMARI BLDG.B2F, MALVAR ST., PUERTO PRINCESA CITY, PALAWAN
-5300**

(Company's Address)

009-533-707

(TIN Number)

(048) 717-0019 / 09171200913 / 09273646018

(Telephone Number)

(Fax Number)

**SEC FORM 20-IS
DEFINITIVE INFORMATION STATEMENT**

Form Type

Each Active Secondary License Type and File Name: NONE



**NOTICE OF THE ANNUAL STOCKHOLDERS MEETING
OF
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN INC.**

DEAR STOCKHOLDERS:

Please take notice that the Annual Meeting of Stockholders of Allied Care Experts (ACE) Medical Center -Palawan Inc. will be held on August 2, 2024, at 8:00 in the morning; the meeting will be conducted via Zoom Webinar. Kindly confirm your presence at the meeting by registering on or before July 12, 2024.

To register for the meeting, click the link below

https://us02web.zoom.us/meeting/register/tZ0od-6ppjgvGNaWt9Fgaun0qvh_yfaHHrnF

The link will provide you with the process for the registration. You will receive a confirmation email once you have successfully registered on the platform, including the details and procedures in the conduct of the meeting. Voting will be done via the online tool which you can access once you have logged in to the Zoom meeting. The host will launch the following voting link during the meeting, where participants will be prompted to cast their votes.

The meeting shall be recorded (visual and audio) for future reference.

The Agenda:

1. Call to Order
2. Determination of Quorum
3. Reading and Approval of the Minutes of the Y2023 Annual Stockholders' Meeting
4. Presentation and approval of the Y2023 Audited Financial Statement
5. President's Report
6. Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation from April March 23, 2023 to October 19, 2023.
7. Election of Directors for Y2024-2025
8. Appointment of External Auditor 2024-2025
9. Other Matters
19. Adjournment

Only stockholders of record at the close of business on July 12, 2024 (Record Date) shall be entitled to notice of and to vote at the meeting. If you cannot personally attend the meeting, you may opt to send your proxy to attend on your behalf. Kindly submit your duly executed proxy form with the undersigned, via email, at palawanacegroup@gmail.com no later than July 12, 2024, to enable your proxy to register in the Zoom Webinar. A sample of the proxy form is available at the Corporation's website for your reference. [NOTE: Management is not soliciting proxies]

The Information Statement and Management Report and SEC Form 17-A is available at the Corporation's website.

You may contact the undersigned via email at palawanacegroup@gmail.com or through telephone number: 0917 120 0913, if you have inquiries or concerns regarding the meeting.

Very truly yours,

SHEREIL D. PABLICO
Corporate Secretary



PROXY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, a stockholder of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER PALAWAN, INC. (“ACEMC-Palawan”), do hereby nominate, constitute and appoint _____, my true and lawful attorney, and proxy to represent me and vote all shares registered in my name in the books of the corporation during the Annual Stockholders’ Meeting of ACEMC-Palawan, to be held on _____ as fully to all intents and purposes as I might or could do if personally present, hereby ratifying and confirming any and all matters which may lawfully come before said meeting or any adjournment thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2024.

(Signature over Printed Name of Stockholder)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-1S
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **ALLIED CARE EXPERTS(ACE) MEDICAL CENTER-PALAWAN INC.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **CS201702182**

5. BIR Tax Identification Code: **009-533-707**

6. Address of Principal Office: **JOMARI BLDG. B2F, MALVAR ST., PUERTO PRINCESA CITY, PALAWAN** Postal Code: **5300**

7. Registrant's telephone number, including area code: **(048) 717-0019**

8. Date, time and place of the meeting of security holders:

Date : August 2, 2024
Time : 8:00 a. m.
Place : Via Zoom Webinar
Jomari Bldg., B2F, Malvar St., Puerto Princesa City, Palawan

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **July 12, 2024**

10. In case of Proxy Solicitations: NOT APPLICABLE

Name of Person Filing the Solicitation Statement:
Address and Tel. No. :

11. Securities registered pursuant to Section 8 and 12 of the Code or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
FOUNDERS SHARE, P1,000 PAR VALUE	600 SHARES
COMMON SHARE, P1,000 PAR VALUE	218,830 SHARES/ Php 686,773,621

12. Are any or all registrant's securities listed in a Stock Exchange?

Yes No

The common stocks are listed in the Philippine Stock Exchange.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Date, time and place of meeting of security holders.

(a) The stockholders' meeting shall be held on:

Date : August 2, 2024
Time : 8:00 a. m.
Place : Via Zoom Webinar
Jomari Bldg., B2F, Malvar St., Puerto Princesa City, Palawan

Complete Mailing Address of Principal Office of Registrant:
Jomari Bldg., B2F, Malvar St., Puerto Princesa City, Palawan

(b) The approximate date on which the information statement is first to be sent and given to security holders shall be **July 12, 2024**

Dissenter's Right of Appraisal

There are no proposed actions that may give rise to a possible exercise by security holders of their appraisal right. Generally, however, Under Section 80, Title X of the Revised Corporation Code of the Philippines, the stockholders of the Corporation have the right of appraisal under the following instances:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate of stock representing the stockholders' shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

The Company is required by the Development Bank of the Philippines to increase its authorized capital stock, in connection with the Company's Loan Agreement with the said bank.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer or nominee for election as director of the Company, or associate of a director, officer, or nominee for election as director has any substantial interest in any matter to be acted upon, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of **May 31, 2024**:

	Shares Outstanding	No. of Vote Each Share Is Entitled
Common Shares:		
Filipino	218,830	One (1) vote per share
Foreign	-	One (1) vote per share
Total	218,830	

(b) Record Date:

All stockholders of record as of **June 11, 2024**, are entitled to notice of and to vote at the Annual Stockholders' Meeting.

(c) Manner of voting:

The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of May 31, 2024

The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of **May 31, 2024**, are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent	Nature of Ownership
Common	Enriquez, Michael Edward R. Quezon City, Stockholder	Amado Manuel C. Enriquez Father Marilyn R. Enriquez Mother Enriquez, Miguel Antonio R. Quezon City, Brother	Filipino	13,560 40	14.1%	13,600(R) 20,400(B)
Common	Enriquez, Miguel Antonio R. Quezon City, Stockholder	Amado Manuel C. Enriquez Father Marilyn R. Enriquez Mother Enriquez, Michael Edward R. Quezon City, Brother	Filipino	13,560 40	14.1%	13,600(R) 20,400(B)
Common	Amado Manuel C. Enriquez Quezon City, Stockholder	Marilyn R. Enriquez Wife Enriquez, Miguel Antonio R. Quezon City, Son Enriquez, Michael Edward R. Quezon City, Son	Filipino Filipino	3,390 10	14.1%	3,400(R) 30,600(B)

Common	Marilyn R. Enriquez Quezon City	Amado Manuel C. Enriquez Quezon City, Husband Enriquez, Miguel Antonio R. Quezon City, Son Enriquez, Michael Edward R. Quezon City, Son	Filipino	3,390 10	14.1%	3,400(R) 30,600(B)
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(2) Security Ownership of Directors and Management as of **May 31,2024**

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
BOARD OF DIRECTORS					
Amado Manuel C, Enriquez, Jr.	3,400	30,600	Filipino	3,400,000	14.1%
Joseph M. Tovera	3,400		Filipino	3,400,000	1.41%
Geanie A. Cerna-Lopez	3,400		Filipino	3,400,000	1.41%
Marietta T. Samoy	6,800		Filipino	6,800,000	2.83%
Fernando P. Carlos	3,400		Filipino	3,400,000	1.41%
Lumen R. Palanca	3,400		Filipino	3,400,000	1.41%
Evelyn D. Funelas	3,400		Filipino	3,400,000	1.41%
Shereil Delos Santos- Pablico	3,400		Filipino	3,400,000	1.41%
Regidor L. Alfaro	3,400		Filipino	3,400,000	1.41%
Janice Dale T. Portales	3,400		Filipino	3,400,000	1.41%
Michael Ivan G. Vicente	3,400		Filipino	3,400,000	1.41%
Hazel Marie C. Recidoro	3,400		Filipino	3,400,000	1.41%
Michael Edward R. Enriquez	13,600		Filipino	13,600,000	5.65%
Mina Sirikit C. Tagra	3,400		Filipino	3,400,000	1.41%
Jonathan H. Reblando	3,400		Filipino	3,400,000	1.41%

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
EXECUTIVE OFFICERS					

Joseph M. Tovera	3400		Filipino	3,400,000	1.41%
Marietta T. Samoy	6800		Filipino	6,800,000	2.83%
Shereil Delos Santos- Pablico	3400		Filipino	3,400,000	1.41%
Rosalie M. Reyes	3400		Filipino	3,400,000	1.41%
Lumen R. Palanca	3400		Filipino	3,400,000	1.41%
Fernando P. Carlos	3400		Filipino	3,400,000	1.41%
Total for Officers				23,800,000	
Common Shares	Directors and Executive Officers as a Group				

(3) There are no voting trust holders of 5% or more.

(4) The Company is not aware of any voting trust agreement/s or similar agreement/s which may result in a change in control of the Company.

(e) No change in control of the registrant has occurred since the beginning of its last fiscal year.

Directors and Executive Officers

(a) Directors/Nominees and Executive Officers

There are fifteen (15) members of the Board, three (3) of whom are independent directors. The term of office of each member is one (1) year; they are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. A director who is elected to fill any vacancy holds office only for the unexpired term of his predecessor. The current members of the Board of Directors are the following:

Enriquez, Amado Manuel Jr. C
Joseph M. Tovera
Carlos, Fernando P.
Cerna-Lopez, Geanie A.
Regidor L. Alfaro
Enriquez, Michael Edward R,
Hazel Marie C. Recidoro - Independent Director
Janice Dale T. Portales
Palanca, Lumen R.
Jonathan H. Reblando - Independent Director
Samoy, Marieta T.
Tagra, Mina Sirikit C. – Independent Director
Shereil D. Pablico
Vicente, Ivan Michael G.
Evelyn D. Funelas

The following have been nominated to the Board for the ensuing year 2024:

NAME OF NOMINEE	NOMINATED BY
Amado Manuel Enriquez Jr.	Sonia J. Ulanday
Lumen R. Palanca	Lorna B. Felizarte

Fernando P. Carlos	Geanie Cerna A. Lopez
Geanie Cerna A. -Lopez	Editha C. Miguel
Joseph M. Tovera	Evelyn D. Funelas
Michael Edward R. Enriquez	Marietta T. Samoy
Marietta T. Samoy	Fernando P. Carlos
Evelyn D. Funelas	Karen A. Acosta
Ivan Michael G. Vicente	Felicitimo "Jun " U. Miguel
Regidor L. Alfaro	Jocelyn P. Peregrino
Janice Dale T. Portales	Frederick F. Dalingding
Shereil D.S. Pablico	Rosalie M. Reyes
Mina Sirikit Tagra Independent Director	Marietta T. Samoy
Hazel Marie C. Recidoro Independent Director	Geanie Cerna A. Lopez
Jonathan H. Reblando Independent Director	Evelyn D. Funelas

The Company has complied with the guidelines on the nomination and election of independent directors as set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The independent directors Mina Sirikit Tagra, Hazel Marie C. Recidoro, Jonathan H. Reblando were nominated by Marietta T. Samoy,, Geanie A. Cerna –Lopez and Evelyn D. Funelas respectively. The nominees are not related to their respective nominating stockholders and were pre-screened by the Nominations Committee composed of Dr. Evelyn D. Funelas, Marietta T. Samoy, and Mina Sirikit Tagra.

The Company's key executive officers as of May 31,2024, are as follows:

Amado Manuel C. Enriquez	Chairman
Geanie A. Cerna-Lopez	Vice Chairman
Joseph M. Tovera	President
Marietta T. Samoy	Vice-President
Shereil D. Pablico	Corporate Secretary
Rosalie M. Reyes	Asst. Secretary
Lumen Palanca	Treasurer
Fernando P. Carlos	Asst. Treasurer

The Officers (per the Company's By-Laws) are elected/appointed annually by the Board of Directors during its organizational meeting following the annual stockholders' meeting, each to hold office for one (1) year until the next organizational meeting of the Board in the following year or until a successor shall have been elected/appointed and shall have qualified.

Please refer to attached Annex "A" (pages 20 to 22) for the summary of qualifications of the current Directors/Nominees and Executive Officers.

Significant Employees

The Corporation relies significantly on the continued collective efforts of its senior executive officers and expects each employee to do his share in achieving the Corporation's goals.

Family Relationships

Dr. Amado Manuel C. Enriquez, Jr., is the father of Dr. Michael Edward R. Enriquez and Dr. Miguel Antonio R. Enriquez, and the wife of Dr. Marilyn R. Enriquez; Dr. Amado Manuel C. Enriquez Jr. is also the cousin of Dr. Fernando P. Carlos. There are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the Company to become directors, or executive officers, any security holder of certain record, beneficial owner or management.

Certain Relationships and Related Transactions

During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

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

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

December 31, 2023 (Audited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

Cash Advances

The Company obtains cash advances from shareholders to finance its on-going construction of hospital building and working capital requirements. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from shareholders account in the statements of financial position.

Involvement in Certain Legal Proceedings

As of May 31, 2024 the following directors, in their capacity as directors/officers of Allied Care Experts(ACE) Medical Center-Cebu Inc., are parties to the following legal proceedings:

1. Amado Manuel C. Enriquez, Jr.
2. Geanie Cerna-Lopez
3. Marietta T. Samoy

Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) - Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. ACE Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald L. Ramiro, Marietta T. Samoy and Evangeline Y. Zozobrado

On March 7, 2018, complainants Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia, through counsel filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants (based in Cebu) have already filed their Answer to the Complaint. However, the complaint for Manila based Doctors are yet to be served.

The Defendants filed a Motion to Dismiss the Complaint for lack of interest of the plaintiffs to prosecute the case last August 5, 2020. On July 14, 2021, a mediation conference was conducted, however, there was no amicable settlement reached. The case was set for another mediation conference on July 29, 2021.

Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) – Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez, Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald S. Ramiro, Marietta T. Samoy, and Evangeline Y. Zozobrado

On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

The Defendants (based in Cebu) have already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgment, but the same was opposed by the defendants on May 15, 2018. The Court has not yet ruled on the plaintiff's Motion for Partial Summary Judgment of May 2, 2018. Unless the Court resolves the Motion for Summary Judgment by the plaintiff, the case will not move on.

The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. A Mediation Conference was conducted last June 16, 2021, however, no amicable settlement reached. Thus, the pre-trial set on August 13, 2021 shall proceed.

Special Civil Action Case No. R-CEB-18-08795-SC, Branch XI, Cebu City (For Mandamus to Issue 100% Pre-Emptive Rights, Damages and for Attorney's Fees) - Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. Al vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez and Velma T. Chan

The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

Respondents received the Court Order on 11 December 2018 and filed their Comment to the Petition last January 7, 2019; the Plaintiffs also filed their reply. On November 25, 2020 at 8:30AM, a Judicial Dispute Resolution was conducted by RTC Branch 12, Cebu City via video conference hearing. Both parties did not come into an agreement. The Petitioners demanded PHP 600,000.00 from the Respondents. The case was scheduled for Pre-Trial on June 11, 2021, however, counsel for the petitioners did not appear. Pre-trial date has yet to be set again by the court.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders due to disagreement with the registrant on any matter relating to the registrant's operations, policies and practices.

Compensation of Directors and Executive Officers

SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)
Name & Principal Position	Year	Salary	Bonus	Other Compensation
A. Amado Manuel C. Enriquez, Jr Chairman	2023	90,000.00 -	-	-60,000
B. Joseph Tovera President	2023	90,000.00 -	-	-60,000
C. Shereil Pablico Corporate Secretary	2023	60,000.00 -	-	60,000-
D. Lumen Palanca Treasurer	2023	60,000.00 -	-	-55,000
E. Aggregate For The Above Named CEO & Officers	2024-Estim 2023-Estim.	- 300,000.00	-	-
	2022	200,000.00	-	-
	2021	0	-	--
F. Aggregate For The Officers And Directors As A Group	2024-Estim 2023-Estim.	3,000,000	-	-
	2022	2,000,000	-	-
	2021	-0	-	-

Below is the table on the per diem received by the directors for meetings of the Board, Executive Committee, Finance Committee, Compensation and Remunerations Committee, Audit Committee, Nomination and Corporate Governance Committee for the years 2022 and 2023:

DIRECTORS	BOARD		EXECUTIVE COMMITTEE		FINANCE COMMITTEE		AUDIT COMMITTEE		NOMINATIONS COMMITTEE		CORPORATE GOVERNANCE COMMITTEE		COMPENSATION COMMITTEE	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Year	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Amado Manuel C. Enriquez Chairman	P33,000	P60,000	P36,000	P6,000	P2,000	P6,000								
Geanie A. Cerna-Lopez Vice-Chairman	P30,000	P55,000.00	P20,000								P2,000	P3,000	P2,000	P3,000
Editha C. Miguel President	P33,000	P60,000	P52,000	P102,000	P14,000	P27,000								
Karen A. Acosta Vice President	P24,000	P45,000	P46,000	P66,000	P2,000	P15,000								
Sonia J. Ulanday Secretary	P27,000	P60,000	P6,000	P39,000	P10,000	P21,000					P2,000	P3,000		
Lumen R. Palanca Treasurer	P33,000	P55,000	P50,000	P84,000	P12,000	P24,000			P2,000	P3,000			P2,000	P3,000
Fernando P. Carlos	P24,000	P60,000.00	P22,000	P9,000										
Michael Edward R. Enriquez	P33,000	P50,000	P6,000		P2,000	P6,000								
Ivan Michael G. Vicente	P33,000	P45,000	P2,000	P9,000			P2,000	P3,000			P2,000	P3,000		
La Rhaine G. Viernes	P30,000	P50,000	P16,000		P2,000	P6,000								
Marietta T. Samoy	P33,000	P55,000	P10,000		P2,000	P9,000			P2,000	P3,000	P2,000	P3,000		
Mina Sirikit C. Tagra	P30,000	P55,000												
Charlemagne C. Soler	N/A	P55,000	N/A				P2,000	P3,000			P2,000	P3,000		
Eryll O. Salvame	N/A	P55,000	N/A				P2,000	P3,000					P2,000	P3,000
Frederick F. Dalingding	P30,000	P25,000	P2,000						P2,000	P3,000	P2,000	P3,000		
Rosalie M. Reyes	P30,000	N/A	P2,000		P8,000									
Lorna B. Felizarte	P33,000	N/A	P38,000											

- a. Except for per diem (P1,000.00/board meeting) for each director during board meetings, there are no bonuses, profit sharing or other compensation plans, contracts, or arrangements in which any director, nominee for election as director, or executive officers of the registrant will participate.
- b. The Company has a registered, non-contributory retirement plan. All regular employees are covered from the President down to rank and file.
- c. The Company has no existing options, warrants or rights to purchase any securities.

(c) Independent Public Accountants

The Company's external auditor is the auditing firm of **Perez Sese Villa and Co.** The same auditing firm is being recommended by the Board, based on the recommendation of the Audit Committee composed of Dr.Eryll O. Salvame,(Chairman, Independent Director), Dr. Charlemagne C. Soler (Independent Director) and Dr. Ivan Michael Vicente subject to stockholders' approval, for re-appointment as the Company's external auditor for the fiscal year 2023 for a fee of **P 280,000.00** (exclusive of VAT and out-of-pocket expenses).

- a. The Audit committee evaluates proposals based on the quality of service, commitment for deadline and fees. The committee may require a presentation from each proponent to clarify some issues.
- b. Perez Sese Villa and Co., represented by its engagement partner, is the external auditor of the Company for the most recently completed year 2022. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged for more than five years.
- c. Representatives of Perez Sese Villa and Co.. are expected to be present during the stockholders' meeting. The representatives will have the opportunity to make statements if they desire to do so and will be available to respond to appropriate questions from the security holders.

- d. During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.
- e. The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:

For the year 2023- P302,400.00 (billed and paid in 2023 and 2024)
 For the year 2022- P269,500.00 (billed and paid in 2022 and 2023)
 For the year 2021- P264,500.00 (accrued and paid as of 2021 and 2022)

- 1. The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (P152,400.00); and (b) All Other Fees, including estimated out of pocket expenses accrued by the Company as of March 31, 2024 (P22,860.00).

The Audit Committee has the function of assessing the independence and professional qualifications of the external auditor, in compliance with the requirements under applicable law, rules and regulations; reviewing the performance of the external auditors; and recommending to the Board of Directors the appointment or discharge of external auditors as well as reviewing and approving audit related and non-audit services to be rendered by external auditors. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit, and ensure proper coordination, if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

C. OTHER MATTERS

Action with Respect to Reports

The approval of the stockholders on the following will be taken up:

- i. Minutes of the December 19, 2023 Annual Stockholders' Meeting. The Minutes cover the following items:
 - I. Call to Order
 - II. Invocation
 - III. Roll Call & Declaration of Quorum
 - IV. Reading and approval of the minutes of the previous stockholder's meeting Y2023
 - V. Approval of the day's agenda
 - VI. Election of Directors for Y2023- 2024
 - VII. Appointment of External Auditor 2023-2024
 - VIII. Treasurer's Report/ Approval of Y2023 Audited Financial Statement
 - IX. President's Report
 - X. Others
 - XI. Adjournment

The approval or disapproval of the above Minutes will refer only to the correctness of the Minutes and will not constitute an approval/disapproval of the matters stated in the Minutes.

- ii. Audited Financial Statements for the year ending 31 December 2022

Other Proposed Actions

- 1. Ratification of all corporate acts and resolutions during the past year of the Board, Officers and Management. These acts are covered by resolutions duly adopted in the usual course of business such as opening of bank accounts and designation of authorized signatories for various transactions, etc.

Date	Corporate Acts
March 23, 2023	Approval on the implementation of department directives
April 21,2023	Creation of Hospital Committees

April 21,2023	Authority of Dr. Ramil M. Morales, adding as a signatory of the
April 3,2023	Auto Debit of payroll. Approval on the increase of per diem for committee meetings from 3,000 per meeting to 5,000 per meeting, starting January 2023
July 6,2023	Approval of Salary Increase of Employees Designation of Sonia J. Ulanday, MD. Corporate Secretary to represent the corporation and act for it in the submission of reportorial requirements with the SEC through the Online Submission Tool (OST
July 31,2023	Postponement of the Y2023 Annual Stockholders Meeting, from August 25,2023 to October 26,2023.
October 19,2023	Postponement of the Y2023 Annual Stockholder's Meeting of the corporation from November 29,2023 to December 19, 2023.

2. Election of Directors including Independent Directors for Y2024-2025
3. Appointment of External Auditor for fiscal year ending 31 December 2024-2025

Amendment of Charter, By-Laws and other Documents

There are no proposed actions involving the charter of the Company.

Compliance with Section 49, RCC

The annual stockholders meeting was conducted via zoom on December 19, 2023. The stockholders were given the opportunity to ask their questions through the chatroom during the meeting. There were no questions raised by the stockholders.

The following matters were taken up:

- I. Call to Order
- II. Invocation
- III. Roll Call & Declaration of Quorum
- IV. Reading and approval of the minutes of the previous stockholder's meeting Y2023
- V. Approval of the day's agenda
- VI. Election of Directors for Y2023-2024
- VII. Appointment of External Auditor 2023-2024
- VIII. Treasurer's Report/ Approval of Y2023 Audited Financial Statement
- IX. President's Report
- X. Others
- XI. Adjournment

Except for the election of officers, all the matters taken up were unanimously approved by the stockholders present during the meeting. There were only 15 nominees for the 15 board seats to be elected; the votes were tabulated as follows:

	Names of Nominees	No. of Votes
	AMADO MANUEL C. ENRIQUEZ JR. ,MD.	177,080
	JOSEPH M. TOVERA, MD.	177,080

	JANICE DALE T. PORTALES,MD.	177,080
	REGIDOR L. ALFARO ,MD.	177,080
	EVELYN D. FUNELAS , MD.	177,080
	LUMEN R. PALANCA , MD.	177,080
	MARIETTA T. SAMOY, MD.	177,080
	FERNANDO CARLOS, MD.	177,080
	MICHAEL EDWARD R. ENRIQUEZ , MD.	177,080
	SHEREIL DELOS SANTOS PABLICO, MD.	177,080
	GEANIE CERNA- A. LOPEZ,MD.	177,080
	HAZEL MARIE C. RECIDORO INDEPENDENT DIRECTOR	177,080
	JONATHAN H. REBLANDO INDEPENDENT DIRECTOR	177,080
	MINA SIRIKIT C. TAGRA INDEPENDENT DIRECTOR	177,080
	IVAN MICHAEL G. VICENTE	177,080

Attached as Annex "D" is the list of the directors, officers and stockholders who attended the meeting, in the previous year.

Except on the election of directors, an affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring the stockholder's action. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. The holders of common stocks are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. Stockholders shall be entitled to vote either in person or by proxy.

Below is the Board Performance Appraisal Report for the year 2023:

PERFORMANCE ASSESSMENT FOR THE BOARD OF DIRECTORS
(January 1, 2023- December 31, 20223)

Good Corporate Governance Principles and Practices	Rating
1. The Board is composed of competent, hardworking members that foster the long-term success of the corporation and sustain its competitiveness and growth.	5
2.The Board is headed by a competent and qualified chairperson.	5
3.The Board practices diversity which avoids groupthink and ensures that optimal decision-making is achieved.	4
4. The Board members act on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the companyand theshareholders and all other stakeholders	5
5. The Board oversees the development of and approves the company's business and strategy and monitor its implementation, inorder tosustain the company's long-term viability and strength	5
6.The Board ensures an effective succession planning programfor directors, key officers and Management to ensure the continuous and consistent growth of the company.	4
7.The Board aligns the remuneration of key officers and board members with the long-term interest of the company.	5
8. The Board has adopted a formal nomination and election policywhich provides for the procedures on how the Board acceptsnominations.	5
9.The Board ensures the integrity of related party transactions andother unusual transactions, particularly those which pass certain threshold materiality. The Board reviews and approves material RPTstoguarantee fairness and transparency of the transactions.	5
10. The Board has an internal control system in place and a mechanism to monitor and manage potential/actual conflicts ofinterests of board members, management and shareholders.	4
11. Board has organized board committees to support the effective performance of the board functions, particularly, with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration.	5
12. The Board endeavors to exercise an objective and independent judgment on all corporate affairs.	5
13. The Board has at least 2 independent directors, or at least 20%of themembers of the Board, whichever is higher.	4
14. The Board regularly carries out evaluations to assess its performance as a body, and whether it possesses the right mix ofbackgrounds and competencies.	4

15. The Board applies high ethical standards, taking into account the interests of all stakeholders.	5
16. The Board has established corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.	5

Our Company has put in place, sufficient internal controls and risk management system to ensure the efficient management of the various risks concomitant to our hospital operations.

Our external auditor is the auditing firm of Perez Sese Villa & Co. CPAs.

The aggregate annual external audit fees billed for year 2023 was Php 280,000 .00. The said fees include: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of our financial statements; and (b) All Other Fees, including estimated out of pocket expenses (Php33,000.00)

Our Company has not yet declared dividends since its incorporation in 2017, considering that our hospital is still spending heavily on the improvement of our hospital facility. As stated in our By-Laws, dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by the stockholders as often and at such times as may be decided by the Board of Directors.

Voting Procedures

Except on the election of directors, an affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. The holders of common stocks are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. Stockholders shall be entitled to vote either in person or by proxy.

Method of Counting Votes

The Corporate Secretary, assisted by the Company's external auditor, will be responsible for counting the votes.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Puerto Princesa, Palawan on July 12, 2024.

ALLIED CARE EXPERTS(ACE) MEDICAL CENTER-PALAWAN INC.

By:



SHEREIL DELOS SANTOS - PABLICO
Corporate Secretary

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

*Allied Care Experts(ACE) Medical Center -Palawan Inc.
[address]*

Attention: The Corporate Secretary

ANNEX “A”

BUSINESS PROFILES OF THE INCUMBENT BOARD OF DIRECTORS/OFFICERS/NOMINEES:

Name	Business and Professional Work Experience
<p>Enriquez, Amado Manuel Jr. C. 72 y/o Filipino</p>	<p>Chairman of the Board – Manila East Medical Center (2007-2008, 2017); Paranaque Doctors Hospital (2012-2017); ACE Medical Center Baypointe, Subic (2007-2011); Unihealth Paranaque Hospital (2014-2017); Alaminos Medical Center Foundation (2001-present)</p> <p>Founding Chairman – ACE Medical Center Valenzuela, ACE Medical Center Baliwag, ACE Medical Center Pateros, ACE Medical Center Palawan, ACE Medical Center Mandaluyong, ACE Medical Center Palawan, ACE Medical Center Iloilo, ACE Medical Center Tacloban, ACE Medical Center Bohol, ACE Medical Center Dumaguete, ACE Medical Center Bacolod, ACE Medical Center General Santos, ACE Medical Center CDO, ACE Medical Center Dipolog, ACE Medical Center Zamboanga, ACE Medical Center Butuan</p> <p>Active consultant in Cardiovascular-Thoracic Surgery – St. Lukes Medical Center, Manila East Medical Center, ACE Medical Center Hospitals.</p>
<p>Reblando, Jonathan H. 48 y/o, Filipino</p>	<p>Hospital Affiliations: ACEMC Palawan Inc./ Founder Adventist Hospital ng Palawan Palawan Medical Mission Group Multipurpose Cooperative (PMMGMPC) Founder ACEMC Palawan Inc.</p>
<p>Carlos, Fernando P. 63 y/o. Filipino</p>	<p>President ACE Medical Center Pateros(2011-2018), President ACE Medical Center Q.C (2012-President), President ACE Medical Center Tacloban (2014-Present), President ACE Medical Center Dipolog (2017-Present)</p>
<p>Cerna-Lopez, Geanie C. 70 y/o, Filipino</p>	<p>President – ACE Medical Center -Cebu (2017-Present) President – Las Pinas City Medical Center, Medical Director- Unihealth Paranaque, Management Consultant – Medical Center Muntinlupa, Past President – Medical Center Muntinlupa (2016), Past Hospital Admin – UniHealth Paranaque Hospital (2016) and Las Pinas City Medical Center (2016); Past president Paranaque Doctors Hospital (2015) Hospital Affiliations: 1. ACE Hospitals 2. Paranaque Doctors Hospital 3. Unihealth Paranaque Hospital and Medical Centre 4. Las Pinas City Medical Centre 5. Medical Centre Muntinlupa Asian Hospital and Medical Centre</p>
<p>Alfaro, Regidor L. 63 y/o, Filipino</p>	<p>Founder- ACEMC Palawan Inc. Visiting Physician- MMG Cooperative Hospital, Puerto Princesa City</p>

	Visiting Physician- Adventist Hospital- Palawan
Enriquez, Michael Edward 38 y/o, Filipino	Hospital Administrator ACE Medical Center Valenzuela, Vice President ACE Medical Center Q.C, Vice President ACE Medical Center Pateros
Tovera, Joseph M. 48 y/o, Filipino	CEO/ President – First Apex Philippines Health System Corp. Founder/ Adviser- Palawan Cancer Support Group Inc. Chairman- Department of Internal Medicine, AHP Medical Oncology Consultant- PMMG- Coop Hospital , Palawan, Adventist Hospital Palawan, ACEMC Palawan Inc. Visiting Consultant- Manila Doctor’s Hospital Mla. Med. Part-Time Faculty/ Lecturer- San Beda College of Medicine, Virgen Milagrosa College of Medicine Medical Director- ACEMC Palawan Inc. (2022-2023) Medical Consultant- Globo Asiatico Enterprise (2022-2023) Pre-Reviewer for Oncology 2019- Philippine Journal of Internal Medicine (2014 to 2019) Medical Training Officer- Ospital ng Palawan – 2016-2018 Head of Intensive Care Unit- Urduja General Hospital -2015 Medical Head / Director- Novartis Oncology (2011-2014) Medical and Marketing Manager- ROCHE (2009-2010) Founder- ACEMC Palawan In
Recidoro, Hazel Marie C. 45 y/o, Filipino	Societies, Professional and Business Org. Affiliations: Philippine Hospital Association Philippine Medical Association Fellow, Philippine Board of Radiology Fellow- CT-MRI Society of the Philippines Quezon City Medical Association Founder- ACEMC Palawan Inc., Member of the Board ACEMC Quezon City ACEMC –Pateros Chef Finance Officer, Hospital Adm.
Palanca, Lumen Riego De Dios 66 y/o, Filipino	2013-2020 Treasurer, Palawan Medical Society 2017 to present Treasurer, ACEMC Palawan, Inc. Consultant, Adventist Hospital Palawan Consultant – MMG Cooperative Hospital, Puerto Princesa
Funelas, Evelyn D. 62 y/o, Filipino	Founder- ACEMC Palawan Inc. Department Head of Procurement and Property Materials Management of ACEMC Palawan Inc. Head of High Risk Pregnancy Unit
Samoy, Marietta T. 67 y/o, Filipino	President – Allied Care Experts (ACE) Medical Center Mandaluyong (2016-Present) President – Allied Care Experts (ACE) Medical Center Legazpi, Inc. (2016-Present) President – Allied Care Experts (ACE) Medical Center Bayawan (2017- Present) Medical Director – Paranaque Doctors Hospital (2016-2017) President – Uni-Health Paranaque Hospital and Medical Center Hospital Administrator – Las Pinas Medical Center Muntinlupa (2017) Hospital Affiliations: 1. ACE Hospitals

	<p>2. Paranaque Doctors Hospital 3. Unihealth Paranaque Hospital and Medical Center 4. Las Pinas Medical Center Medical Center Muntinlupa</p>
Pablico, Shereil DLS. 45 y/o, Filipino	<p>Consultant – MMG Cooperative Hospital, Puerto Princesa City Top Performing Physician- Adventist Hospital Founder- ACEMC Palawan Inc. Fellow, Philippine Pediatrics Society, Dept. Head, Pediatrics ACEMC Pal. Component Secretary 2023/ PMS, Outstanding Secretary 2023- PMA</p>
Tagra, Mina Sirikit 63y/o, Filipino	<p>Medical Director, Pharmacist, OB-Gyne Sonologist, Obstetrician Gynecologist- Claridad Pharmacy Finance Officer, Husai and Health Beauty Haven and SPA Proprietor, Homestay Real Pension House Proprietor, Mina's Place , Tacloban City</p>
Vicente, Ivan Michael G. 42 y/o, Filipino	<p>2012-2014 Fellow, UP-PGH Section of Gastroenterology 2014 to present – Internist-Gastroenterologist in Adventist Hospital Palawan, Palawan Medical City and MMG Cooperative Hospital</p>
Portales, Janice Dale T. 47 y/o, Filipino	<p>Chief of Clinics- ACEMC Palawan Inc. Department Head, Drug and Therapeutics Committee- ACEMC Palawan Inc. Founder- ACEMC Palawan Inc. Member of Committee on Continuing Medical Education(PMMGMPC-Palawan) Vice President- Palawan Medical Society 2022-2023 Asst. Treasurer of Community Pediatric Society</p>

NOMINEES FOR THE YEAR 2024-2025

Name	Business and Professional Work Experience
Enriquez, Amado Manuel Jr. C. 72y/o Filipino	<p>Chairman of the Board – Manila East Medical Center (2007-2008, 2017); Paranaque Doctors Hospital (2012-2017); ACE Medical Center Baypointe, Subic (2007-2011); Unihealth Paranaque Hospital (2014-2017); Alaminos Medical Center Foundation (2001-present) Founding Chairman – ACE Medical Center Valenzuela, ACE Medical Center Baliwag, ACE Medical Center Pateros, ACE Medical Center Palawan, ACE Medical Center Mandaluyong, ACE Medical Center Palawan, ACE Medical Center Iloilo, ACE Medical Center Tacloban, ACE Medical Center Bohol, ACE Medical Center Dumaguete, ACE Medical Center Bacolod, ACE Medical Center General Santos, ACE Medical Center CDO, ACE Medical Center Dipolog, ACE Medical Center Zamboanga, ACE Medical Center Butuan Active consultant in Cardiovascular-Thoracic Surgery – St. Lukes Medical Center, Manila East Medical Center, ACE Medical Center Hospitals.</p>
Reblando, Jonathan H. 48 y/o, Filipino	<p>Hospital Affiliations: ACEMC Palawan Inc./ Founder Adventist Hospital ng Palawan Palawan Medical Mission Group Multipurpose Cooperative (PMMGMPC)</p>

	Founder ACEMC Palawan Inc.
Carlos, Fernando P. 63 y/o. Filipino	President ACE Medical Center Pateros (2011-2018), President ACE Medical Center Q.C (2012-President), President ACE Medical Center Tacloban (2014-Present), President ACE Medical Center Dipolog (2017-Present)
Cerna-Lopez, Geanie C. 70 y/o, Filipino	President – ACE Medical Center -Cebu (2017-Present) President – Las Pinas City Medical Center, Medical Director- Unihealth Paranaque, Management Consultant – Medical Center Muntinlupa, Past President – Medical Center Muntinlupa (2016), Past Hospital Admin – UniHealth Paranaque Hospital (2016) and Las Pinas City Medical Center (2016); Past president Paranaque Doctors Hospital (2015) Hospital Affiliations: ACE Hospitals Paranaque Doctors Hospital Unihealth Paranaque Hospital and Medical Centre Las Pinas City Medical Centre Medical Centre Muntinlupa Asian Hospital and Medical Centre
Pablico, Shereil DLS. 45 y/o, Filipino	Consultant – MMG Cooperative Hospital, Puerto Princesa City Top Performing Physician- Adventist Hospital Founder- ACEMC Palawan Inc. Fellow, Philippine Pediatrics Society, Dept. Head, Pediatrics ACEMC Pal. Component Secretary 2023/ PMS, Outstanding Secretary 2023- PMA
Enriquez, Michael Edward R. 38 y/o, Filipino	Hospital Administrator ACE Medical Center Valenzuela, Vice President ACE Medical Center Q.C, Vice President ACE Medical Center Pateros
Tovera, Joseph M. 48 y/o, Filipino	CEO/ President – First Apex Philippines Health System Corp. Founder/ Adviser- Palawan Cancer Support Group Inc. Chairman- Department of Internal Medicine, AHP Medical Oncology Consultant- PMMG- Coop Hospital , Palawan, Adventist Hospital Palawan, ACEMC Palawan Inc. Visiting Consultant- Manila Doctor’s Hospital Mla. Med. Part-Time Faculty/ Lecturer- San Beda College of Medicine, Virgen Milagrosa College of Medicine Medical Director- ACEMC Palawan Inc. (2022-2023) Medical Consultant- Globo Asiatico Enterprise (2022-2023) Pre-Reviewer for Oncology 2019- Philippine Journal of Internal Medicine (2014 to 2019) Medical Training Officer- Ospital ng Palawan – 2016-2018 Head of Intensive Care Unit- Urduja General Hospital -2015 Medical Head / Director- Novartis Oncology (2011-2014) Medical and Marketing Manager- ROCHE (2009-2010) Founder- ACEMC Palawan In
Alfaro, Regidor L. 63 y/o, Filipino	Founder- ACEMC Palawan Inc. Visiting Physician- MMG Cooperative Hospital, Puerto Princesa City Visiting Physician- Adventist Hospital- Palawan
Palanca, Lumen Riego De Dios	2013-2020 Treasurer, Palawan Medical Society

66 y/o, Filipino	2017 to present Treasurer, ACEMC Palawan, Inc. Consultant, Adventist Hospital Palawan Consultant – MMG Cooperative Hospital, Puerto Princesa
Portales, Janice Dale T. 47 y/o, Filipino	Chief of Clinics- ACEMC Palawan Inc. Department Head, Drug and Therapeutics Committee- ACEMC Palawan Inc. Founder- ACEMC Palawan Inc. Member of Committee on Continuing Medical Education(PMMGMP- Palawan) Vice President- Palawan Medical Society 2022-2023 Asst. Treasurer of Community Pediatric Society
Samoy, Marietta T. 67 y/o, Filipino	President – Allied Care Experts (ACE) Medical Center Mandaluyong (2016-Present) President – Allied Care Experts (ACE) Medical Center Legazpi, Inc. (2016-Present) President – Allied Care Experts (ACE) Medical Center Bayawan (2017-Present) Medical Director – Paranaque Doctors Hospital (2016-2017) President – Uni-Health Paranaque Hospital and Medical Center Hospital Administrator – Las Pinas Medical Center Muntinlupa (2017) Hospital Affiliations: 5. ACE Hospitals 6. Paranaque Doctors Hospital 7. Unihealth Paranaque Hospital and Medical Center 8. Las Pinas Medical Center Medical Center Muntinlupa
Funelas, Evelyn D. 62 y/o, Filipino	Founder- ACEMC Palawan Inc. Department Head of Procurement and Property Materials Management of ACEMC Palawan Inc. Head of High Risk Pregnancy Unit
Recidoro, Hazel Marie C. 45 y/o, Filipino	Societies, Professional and Business Org. Affiliations: Philippine Hospital Association Philippine Medical Association Fellow, Philippine Board of Radiology Fellow- CT-MRI Society of the Philippines Quezon City Medical Association Founder- ACEMC Palawan Inc., Member of the Board ACEMC Quezon City ACEMC –Pateros Chef Finance Officer, Hospital Adm.
Vicente, Ivan Michael G. 21 y/o, Filipino	2012-2014 Fellow, UP-PGH Section of Gastroenterology 2014 to present – Internist-Gastroenterologist in Adventist Hospital Palawan, Palawan Medical City and MMG Cooperative Hospital
Tagra, Mina Sirikit C. 63 y/o, Filipino	Medical Director, Pharmacist, OB-Gyne Sonologist, Obstetrician Gynecologist- Claridad Pharmacy Finance Officer, Husai and Health Beauty Haven and SPA Proprietor, Homestay Real Pension House Proprietor, Mina's Place , Tacloban City

INCUMBENT OFFICERS

1. **AMADO MANUEL C. ENRIQUEZ, JR.** – Chairman, see foregoing Director's Profile
2. **GEANIE CERNA A. LOPEZ** – Vice-Chairman, see foregoing Directors Profile
3. **JOSEPH M. TOVERA** – President, see foregoing Director's Profile
4. **MARIETTA T. SAMOY** – Vice-President, see foregoing Directors' Profile

5. **SHEREIL D. PABLICO** – Corporate Secretary, see foregoing Director's Profile
6. **LUMEN R. PALANCA** – Treasurer, see foregoing Director's Profile
7. **FERNANDO P. CARLOS** –Asst. Treasurer see the foregoing Director's Profile
8. **ROSALIE M. REYES** – Asst. Corporate Secretary, see the foregoing Director's Profile

ANNEX “B”

MANAGEMENT REPORT

A. Description of Business

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-PALAWAN, INC. (the Company) is a stock corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on January 20, 2017 under Registration No. CS201702182. A Certificate of Permit to Offer Securities for Sale was issued on March 29, 2021 and was published in Manila Times on April 13, 2021.

The Company's primary purpose is 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 clinic, condo-hospital, scientific research institutions 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 licenses 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.

On 05_May 2017, ground breaking ceremony for the construction of this health facility was held. It is the 11th project of ACE Group of Hospitals located nationwide, 14 in Luzon, 10 in Visayas and 6 in Mindanao. Allied Care Group is currently establishing 7 more new medical centers nationwide.

ACEMC Palawan is a Level 2 medical center with a 100-bed capacity in an 8-storey building with basement, with a total floor area of 16,538 sq.m constructed on a 7,072 sqm. property located in the center of Puerto Princesa City, along South National Highway, Barangay San Pedro, Puerto Princesa City, Palawan.

The current pandemic resulted to delays in construction brought about by delays in delivery of materials. Five years after its ground breaking ceremonies, ACEMC Palawan was structurally finished. On December 9, 2021, the Department of Health officially visited the hospital for inspection. A The License to Operate was granted on January 19, 2022. The doors were finally opened to the public on February 15, 2022.

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

March 31, 2024 (Unaudited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

December 31, 2023 (Audited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱ 10,280,483		

December 31, 2022 (Audited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Shareholders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them to their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱10,280,483		

Cash Advances

The Company obtains cash advances from shareholders to finance its on-going construction of hospital building and working capital requirements. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from shareholders account in the statements of financial position.

B. Securities of the Registrant

Market Price, Dividend and Related Stockholder Matters

The securities of Allied Care Experts (ACE) Medical Center-Palawan Inc. are marketed through its organic salaried employees who serve as salesmen. The high and low sales prices by quarter for the last two (2) years are as follows:

	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter	1 st Quarter
<i>Market Price</i>	2022	2023	2022	2023	2024
High	250,000	250,000	250,000	250,000	250,000
Low	200,000	200,000	200,000	200,000	250,000

The price as of December 31, 2023 is Php 250,000.00

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

There are approximately **1,411 holders** of common shares and 60 holders of founder shares of the Company as of March 31, 2024.

Please refer to Annex "C" for the list of top 20 stockholders as of March 31, 2024.

Based on the Loan Agreement with the Development Bank of the Philippines (DBP), the Company is not allowed to declare dividends without the written consent of DBP.

There is no recent sale of unregistered or exempt securities.

C. Management's Discussion and Analysis or Plan of Operation

FOR FIRST QUARTER OF 2024

Changes in Operating Results

The following table shows the consolidated financial highlights of the Company for the three months period ended March 31, 2024 and 2023:

	For the three months ended		Horizontal Analysis		Vertical Analysis	
	31-Mar-24	31-Mar-23	Inc (Dec)	% age	31-Mar-24	31-Mar-23
Revenues	₱ 84,549,491	₱ 70,201,139	₱ 14,348,352	20%	100%	100%
Cost of sales and services	(54,697,340)	(63,320,377)	(8,623,037)	-14%	-65%	-90%
Other income	1,412,421	508,252	904,169	178%	2%	1%
Operating expenses	(16,395,835)	(22,083,240)	(5,687,405)	-26%	-19%	-31%
Finance costs	(8,833,935)	(15,618,744)	(6,784,809)	-43%	-10%	-22%
Income tax benefit (expense)	(1,545,464)	7,578,403	(9,123,867)	120%	-2%	11%
Net loss	₱ 4,489,338	₱ (22,734,567)	₱ (27,223,905)	120%	5%	-32%

The revenue for the three months ended March 31, 2024 increased by 20% from the 2023, this was due to increase in hospital fees.

Cost of sales and services for the three months ended March 31, 2024 decreased by 14% as compared with the March 31, 2023 figures. This is primarily due to decrease in professional fees and cost of sales as the Company improve its expense management.

Other income for the three months period March 31, 2024 increased by 178%. This was due to higher miscellaneous income during the first quarter.

The 26% decrease in operating expenses for the three months ended March 31, 2024 compared with the three months ended March 31, 2023 was primarily due to significant decrease in some expenses particularly on Directors' allowance and officers' compensation, office supplies and miscellaneous expense.

Finance cost decreased by 43% due to decrease in loans balances as of March 31, 2024 and changes in interest rate since the rates are subject to quarterly repricing.

Increase in income tax expense by 120% was primarily due to the net income recognized for the first quarter of 2024 resulting to higher taxable income compared in first quarter of 2023.

The Company's operation resulted to a net income for the first quarter of 2024. This is primarily due to the decrease in cost of sales and services coupled with the increase in revenue earned in 2024.

Financial Condition

	March 31, 2024		December 31, 2023		Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Inc(Dec)	%age	March 31, 2024	December 31, 2023		
ASSETS								
Current Assets								
Cash	P 11,976,954	P 8,685,227	P 3,291,727	38%	1%	1%		
Trade and other receivables	31,449,218	21,730,084	9,719,134	45%	3%	2%		
Inventories	23,399,824	19,257,990	4,141,834	22%	2%	2%		
Prepayments and other current assets	8,346,869	7,949,649	397,220	5%	1%	1%		
Total Current Assets	75,172,865	57,622,950	17,549,915	328%	7%	5%		
Non-current Assets								
Property and equipment - net	967,978,031	974,059,309	(6,081,278)	-1%	91%	92%		
Intangible asset	863,333	933,333	(70,000)	-8%	0%	0%		
Deferred tax asset	20,334,545	21,254,738	(920,193)	-4%	2%	2%		
Total Non-Current Assets	989,175,909	996,247,380	(7,071,471)	-1%	93%	95%		
TOTAL ASSETS	P 1,064,348,774	P 1,053,870,330	P 10,478,444	1%	100%	100%		
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other payables	P 85,354,885	P 79,629,509	P 5,725,376	7%	8%	8%		
Loans payable - current	39,062,500	31,250,000	7,812,500	25%	4%	3%		
Income tax payable	514,790	-	514,790	100%	0%	0%		
Other current liabilities	4,675,069	3,113,629	1,561,440	50%	0%	0%		
Advances from related parties	10,280,483	10,280,483	-	0%	1%	1%		
Total Current Liabilities	139,887,727	124,273,621	15,614,106	13%	13%	12%		
Non-Current Liabilities								
Loans payable	546,875,000	562,500,000	(15,625,000)	-3%	51%	53%		
Total Liabilities	686,762,727	686,773,621	(10,894)	0%	65%	65%		
Equity								
Share capital	219,660,000	219,430,000	230,000	0%	21%	21%		
Share premium	219,079,000	213,309,000	5,770,000	3%	21%	20%		
Accumulated deficits	(61,152,953)	(65,642,291)	4,489,338	-7%	-6%	-6%		
Equity, net	377,586,047	367,096,709	10,489,338	3%	35%	35%		
TOTAL LIABILITIES AND EQUITY	P 1,064,348,774	P 1,053,870,330	P 10,478,444	1%	100%	100%		

As of March 31, 2024, the Company's total assets of ₱1,064,348,774 slightly increase by ₱10,478,444 from ₱1,053,870,330 balance as of December 31, 2023. This was primarily due to decrease in cash and inventories and depreciation of property and equipment and amortization of intangible asset.

The increased in Cash by ₱3,291,727 was primarily due to proceeds from issuance of shares and partly negated by cash used in operations and payment of loans.

The increase in trade and other receivables by ₱9,719,134 was primarily due to increase in Company's revenue due to full year of operation and receivable from PhilHealth, patients and reimbursements from HMO, DSWD and others.

The increase in inventories was primarily due to increase in purchases of medicines and supplies in relation to increase in revenue.

The increased in prepayments and other current assets by ₱397,220 was primarily due to the increased in the value added tax on purchases of goods and services partly negated by lower prepaid expenses and application prepaid income tax on income tax due.

Property and equipment decreased by 1% or ₱6,081,278 primarily due to depreciation for the three months ended March 31, 2024.

Intangible asset decreased by 8% or ₱70,000 primarily due to amortization for the three months ended March 31, 2024.

Deferred tax asset decreased by ₱920,193 due to the application of NOLCO by the Company for the first quarter of 2024 partly negated by recognition of DTA on MCIT and additional DTA on credit losses.

Total liabilities decreased by ₱10,894 primarily due to increase in the increase in trade and other payables. This is negated by payment of loans payable.

Trade and other payables increased by ₱5,725,376. This is primarily due higher purchases made to suppliers of goods and services and late settlement of outstanding payables.

Other current liabilities increase by ₱1,561,440 primarily due to increase in Withholding taxes payable

The Company has income tax payable of ₱514,790 for the three months ended March 31, 2024. Though the Company applied NOLCO, it is still subject to Minimum Corporate Income Tax.

Advances from related parties has no movement during the first quarter 2024

The decrease in loans payable of ₱7,812,500 was primarily due to payment of principal.

The increased in equity was primarily due to the increase in share capital and share premium due to issuances of shares and due to net income recognized by the Company for the first quarter of 2024.

Material Changes in Financial Condition

a. Cash increased by ₱3.291M
Primarily due to proceeds from issuance of shares and partly negated by cash used in operations and payment of loans.
b. Trade and other receivables increased by ₱9.719M
Due to increase in Company's revenue due to full year of operation and receivable from PhilHealth, patients and reimbursements from HMO, DSWD and others.
c. Inventories increased by ₱4.141M
The increase in inventories was primarily due to increase in purchases of medicines and supplies in relation to increase in revenue.
d. Prepayments and other current assets increased by ₱.397M
Primarily due to the increased in the value added tax on purchases of goods and services partly negated by lower prepaid expenses and application prepaid income tax on income tax due.
e. Property and equipment decreased by ₱6.081M
Due to depreciation for the three months ended March 31, 2024.
f. Intangible asset decreased by ₱70,000
Due to amortization for the three months ended March 31, 2024.
g. Deferred tax asset decreased by ₱.920M

Due to the application of NOLCO by the Company for the first quarter of 2024 partly negated by recognition of DTA on MCIT and additional DTA on credit losses.
h. Trade and other payables increased by ₱5.725M
This is primarily due higher purchases made to suppliers of goods and services and late settlement of outstanding payables.
i. Other current liabilities increased by ₱1.561M
Other current liabilities increase by ₱1,561,440 primarily due to increase in withholding taxes payable
j. Income tax payable increased by ₱514,790
Though the Company applied NOLCO, it is still subject to Minimum Corporate Income Tax.
k. Loans payable decrease by ₱7.812M
The decrease in loans payable was primarily due to payment of principal.
l. Equity increased by ₱10.489M
Primarily due to the increase in share capital and share premium due to issuances of shares and due to net income recognized by the Company for the first quarter of 2024.

Material Changes in Operating Results

a. Revenue increased by 20% Due to increase in hospital fees.
b. Cost of Sales and Services decreased by 14% This is primarily due to decrease in professional fees and cost of sales as the Company improve its expense management.
c. Operating Expenses decreased by 26% Primarily due to significant decrease in some expenses particularly on Directors' allowance and officers' compensation, office supplies and miscellaneous expense.
d. Other income increased by 178% This was due to higher miscellaneous income during the first quarter.
e. Finance cost decreased by 43% Due to decrease in loans balances as of March 31, 2024 and changes in interest rate since the rates are subject to quarterly repricing.
f. Income tax expense increased by 120% Primarily due to the net income recognized for the first quarter of 2024 resulting to higher taxable income compared in first quarter of 2023.
g. Income increased by 120% This is primarily due to the decrease in cost of sales and services coupled with the increase in revenue earned in 2024.

THE COMPANY'S KEY PERFORMANCE INDICATORS

	Mar 31, 2024	Mar 31, 2023
1. Liquidity		
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + A/R) / current liabilities]	0.310:1	0.226:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.537:1	0.436:1
2. Solvency		
a. Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	1.819:1	3.149:1
3. Profitability		
a. Net profit margin - ability to generate surplus for stockholder	0.053:1	(0.066):1

(net income / sales)		
b. Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	0.012:1	(0.076):1
4. Leverage		
b. Debt to total asset ratio - the proportion of total assets financed by creditors. (total debt / total assets)	0.645:1	0.015:1
c. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	2.819:1	4.463:1
2. Interest Rate Coverage Ratio		
a. Interest rate coverage ratio - measure of the company's ability to meet its interest payments (earnings before interest and taxes / interest expense) Remarks: The Company was able to meet its interest payments. The negative result was due to loss from operations.	1.683:1	(3.95):1

There were no material events that would trigger direct or indirect contingent financial obligation that would materially affect the company's operation, including any default or acceleration of obligation.

The Company did not enter into any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons during the period.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There were no capital expenditures for the period.

There were no significant elements of income or loss that did not arise from the Company's continuing operations.

There were no seasonal aspects that had any material effect on the financial condition or results of operations of the Company.

The Company is not a party to any lawsuit or claims arising from the ordinary course of business

Financial Risks

a. Interest Rate Risk – The Company's interest rate risk is limited to its cash in banks and loans payable.

b. Credit Risk – The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on receivables is minimal since no default in payments were made by the counterparties.

c. Liquidity Risk – As part of the Company's overall liquidity management, the Company maintains a level of cash deemed sufficient to finance construction of hospital building and pre-operating expense, and to mitigate the effects

of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there's any

The Company has no investments in foreign securities.

FOR THE FULL FISCAL YEARS

DECEMBER 31, 2023, DECEMBER 31, 2022 AND DECEMBER 31, 2021

The following table shows the financial highlights of the Company for the years then ended December 31, 2023, 2022, and 2021:

	<i>As of December 31</i>		
	2023	2022	2021
Income Statement Data			
Revenue	P 273,689,741	P 183,890,792	P 3,937,282
Other Income	1,600,067	1,024,653	63,163
Cost of Sales and Services	(202,802,684)	(155,179,858)	(15,050,297)
Operating expenses	(41,823,730)	(53,706,094)	(18,015,476)
Finance cost	(37,014,323)	(18,893,308)	-
Operating Loss	(6,350,929)	(42,863,815)	(29,065,328)
Income tax benefit	1,589,768	9,742,847	6,756,942
Net Loss	(4,761,161)	(33,120,968)	(P 22,308,386)

Revenue

As disclosed in Note 1, the Company commenced partial operation in the last quarter of 2021. In the first quarter of 2022, it has started serving patients in the pharmacy and laboratory department and in the second quarter of 2022, it started accepting inpatients and its full operation commenced in January 2023 which causes significant increase in Revenue in 2023.

Cost of sales

The significant increase in the cost of sales and services was directly associated with the start of the Company's full operation in 2023. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.

Other income

Other income for the year 2023 increase by 56% as compared with the year 2022. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

Operating expenses

Operating expenses in 2023 are lower compared to 2022 by 22%. This was primarily due to significant decrease in expenses such as office supplies, insurance, directors' allowances and officers' compensation.

Finance costs

Finance costs increased by 96% for the year ended December 31, 2023 compared to December 31, 2022. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax benefit

Income tax benefit for the year ended December 31, 2023 is lower than in 2022 by 73% due to lower expenses in 2023 resulting to lower taxable loss.

Loss for the year

Loss for the year ended December 31, 2023 is lower than in 2022 by 86% primarily due to the significant decrease of expenses as the Company.

Financial Condition

Total assets increased from ₱1.0538M to ₱1.0539B. The decreased was caused by the decreased in cash, inventories, property and equipment and intangible assets. This was negated by the increase in trade and other receivables, prepayments and other current assets, and deferred tax asset.

Cash decreased by ₱1.76M was primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations, proceeds from advances and issuance of shares.

The increase in trade and other receivables by ₱4.3M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its full operation in January 2023.

The decrease in inventories pertains mainly to consumption of pharmacy, hospital, laboratory and dietary supplies as the Company started its full operation in January 2023.

Prepayments and other current assets increased by ₱4.67M. This is primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.

Property and equipment decreased by ₱8.9M. This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.

The decrease in intangible asset pertains to amortization of hospital information system of the hospital.

The increase in deferred tax assets by ₱2.7M was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2023.

Total liabilities decreased by ₱16.2M. The decrease was primarily due to the payment made for bank loans.

Trade and other payables increased by ₱14.98M. This increase was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, increase in accrued interest payable and decreased of retention payable.

Loans payables decreased by ₱31.25M representing the payments made during the year.

Advances from related parties has no movement from beginning of 2022 to end of 2023.

The ₱16.21M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

DECEMBER 31, 2023 COMPARED TO DECEMBER 31, 2022

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2023	31-Dec-2022	Inc (Dec)	%age	31-Dec-2023	31-Dec-2022
Revenues	₱ 273,689,741	183,890,792	₱ 89,798,949	49%	100%	100%
Cost of sales and services	(202,802,684)	(155,179,858)	₱ 357,982,542	231%	-74%	-84%
Other income	1,600,067	1,024,653	575,414	56%	1%	1%
Operating expenses	(41,823,730)	(53,706,094)	(11,882,364)	-22%	-15%	-29%
Finance costs	(37,014,323)	(18,893,308)	55,907,631	-296%	-14%	-10%
Income tax benefit	1,589,768	9,742,847	(8,153,079)	-84%	1%	5%
Net loss	₱ (4,761,161)	₱ (33,120,968)	₱ (28,359,807)	-86%	-2%	-18%

As disclosed in Note 1, the Company commenced partial operation in the last quarter of 2021. In the first quarter of 2022, it has started serving patients in the pharmacy and laboratory department and in the second quarter of 2022, it started accepting inpatients and its full operation commenced in January 2023 which causes significant increase in Revenue in 2023.

The significant increase in the cost of sales and services was directly associated with the start of the Company's full operation in 2023. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.

Other income for the year 2023 increase by 56% as compared with the year 2022. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

Operating expenses in 2023 are lower compared to 2022 by 22%. This was primarily due to significant decrease in expenses such as office supplies, insurance, directors' allowances and officers' compensation.

Finance costs increased by 96% for the year ended December 31, 2023 compared to December 31, 2022. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax benefit for the year ended December 31, 2023 is lower than in 2022 by 73% due to lower expenses in 2023 resulting to lower taxable loss.

Loss for the year ended December 31, 2023 is lower than in 2022 by 86% primarily due to the significant decrease of expenses as the Company.

Financial Condition

	31-Dec-2023		31-Dec-2022		Horizontal Analysis		Vertical Analysis		
					Inc(Dec)	%age	31-Dec-2023	31-Dec-2022	
ASSETS									
Current Assets									
Cash	₱	8,685,227	₱	10,440,293	₱	(1,755,066)	-17%	1%	1%
Trade and other receivables		21,730,084		17,384,067		4,346,017	25%	2%	2%
Inventories		19,257,990		20,014,234		(756,244)	-4%	2%	2%
Prepayments and other current as		7,949,649		3,274,862		4,674,787	143%	1%	0%
Total Current Assets		57,622,950		51,113,456		6,509,494	13%	5%	5%
Non-current Assets									
Property and equipment		974,059,309		982,996,347		(8,937,038)	-1%	92%	93%
Intangible asset		933,333		1,213,333		(280,000)	-23%	0%	0%
Deferred tax asset		21,254,738		18,577,826		2,676,912	14%	2%	2%
Total Non-Current Assets		996,247,380		1,002,787,506		(6,540,126)	-1%	95%	95%
Total Assets	₱	1,053,870,330	₱	1,053,900,962	₱	(30,632)	0%	100%	100%
LIABILITIES AND EQUITY									
Current Liabilities									
Trade and other payables	₱	79,629,509	₱	64,643,413	₱	14,986,096	23%	8%	6%
Advances from related parties		10,280,483		10,280,483		-	0%	1%	1%
Loans payable - current		31,250,000		31,250,000		-	0%	3%	3%
Other current liabilities		3,113,629		3,094,196		19,433	1%	0%	0%
Total Current Liabilities		124,273,621		109,268,092		15,005,529	14%	12%	10%
Non-Current Liabilities									
Loans payable - non current		562,500,000		593,750,000		(31,250,000)	-5%	53%	56%
Total Liabilities		686,773,621		703,018,092		(16,244,471)	-2%	65%	67%
Equity									
Share capital		219,430,000		218,600,000		830,000	0%	21%	21%
Share premium		213,309,000		193,164,000		20,145,000	10%	20%	18%
Accumulated deficits		(65,642,291)		(60,881,130)		(4,761,161)	8%	-6%	-6%
Equity, Net		367,096,709		350,882,870		16,213,839	5%	35%	33%
Total Liabilities and Equity	₱	1,053,870,330	₱	1,053,900,962	₱	(30,632)	0%	100%	100%

Total assets increased from ₱1.0538M to ₱1.0539B. The decreased was caused by the decreased in cash, inventories, property and equipment and intangible assets. This was negated by the increase in trade and other receivables, prepayments and other current assets, and deferred tax asset.

Cash decreased by ₱1.76M was primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations, proceeds from advances and issuance of shares.

The increase in trade and other receivables by ₱4.3M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its full operation in January 2023.

The decrease in inventories pertains mainly to consumption of pharmacy, hospital, laboratory and dietary supplies as the Company started its full operation in January 2023.

Prepayments and other current assets increased by ₱4.67M. This is primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.

Property and equipment decreased by ₱8.9M. This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.

The decrease in intangible asset pertains to amortization of hospital information system of the hospital.

The increase in deferred tax assets by ₱2.7M was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2023.

Total liabilities decreased by ₱16.2M. The decrease was primarily due to the payment made for bank loans.

Trade and other payables increased by ₱14.98M. This increase was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, increase in accrued interest payable and decreased of retention payable.

Loans payables decreased by ₱31.25M representing the payments made during the year.

Advances from related parties has no movement from beginning of 2022 to end of 2023.

The ₱16.21M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

DECEMBER 31, 2022 COMPARED TO DECEMBER 31, 2021

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2022	31-Dec-2021	Inc (Dec)	%age	31-Dec-2022	31-Dec-2021
Revenues	₱ 183,890,792	3,937,282	₱ 179,953,510	4571%	100%	100%
Cost of sales and services	(155,179,858)	(15,050,297)	170,230,155	1131%	-84%	-382%
Other income	1,024,653	63,163	961,490	1522%	1%	2%
Operating expenses	(53,706,094)	(18,015,476)	35,690,618	198%	-29%	-458%
Finance costs	(18,893,308)	-	18,893,308	100%	-10%	0%
Income tax benefit	9,742,847	6,756,942	2,985,905	44%	5%	172%
Net loss	₱ (33,120,968)	₱ (22,308,386)	₱ 10,812,582	48%	-18%	-567%

As disclosed in Note 1, in the last quarter of 2021, the Company accepted outpatient on limited capacity and in first quarter of 2022, the Company opened the Pharmacy and Laboratory. In second quarter of 2022, The Company has launched partial operation of its hospital building and facilities.

Revenue generated for the year ended 2022 amounted to ₱183.89M. This was due to start of the Company's partial operation of the hospital in second quarter of 2022.

The significant increase in the cost of sales and services was directly associated with the start of the Company's partial operation in 2022. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.

Other income increased by 1,522%. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

The 198% increase in operating expenses in year ended December 31, 2022 compared with year ended December 31, 2021 was primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.

Finance costs increased by 100% for the year ended December 31, 2022 compared to December 31, 2021. This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.

Income tax benefit for the year ended December 31, 2022 is higher than in 2021 by 44% due to higher expenses in 2022 resulting to higher taxable loss.

Loss for the year ended December 31, 2022 is higher than in 2021 by 48% primarily due to the significant increase of expenses as the Company started the operation of the hospital in the second quarter of 2022.

Financial Condition

	31-Dec-2022	31-Dec-2021	Horizontal Analysis		Vertical Analysis	
			Inc(Dec)	%age	31-Dec-2022	31-Dec-2021
ASSETS						
Current Assets						
Cash	₱ 10,440,293	₱ 102,299,385	₱ (91,859,092)	-90%	1%	10%
Trade and other receivables	17,384,067	53,000	17,331,067	32700%	2%	0%
Inventories	20,014,234	1,990,948	18,023,286	905%	2%	0%
Prepayments and other current as	3,274,862	689,482	2,585,380	375%	0%	0%
Total Current Assets	51,113,456	105,032,815	(53,919,359)	-51%	5%	11%
Non-current Assets						
Property and equipment	982,996,347	884,574,254	98,422,093	11%	93%	89%
Intangible asset	1,213,333	-	1,213,333	100%	0%	0%
Deferred tax asset	18,577,826	8,538,834	10,038,992	118%	2%	1%
Total Non-Current Assets	1,002,787,506	893,113,088	109,674,418	12%	95%	89%
Total Assets	₱ 1,053,900,962	₱ 998,145,903	₱ 55,755,059	6%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 64,643,413	₱ 99,435,681	₱ (34,792,268)	-35%	6%	10%
Advances from related parties	10,280,483	54,798,338	(44,517,855)	-81%	1%	5%
Loans payable - current	31,250,000	18,750,000	12,500,000	67%	3%	2%
Other current liabilities	3,094,196	672,046	2,422,150	360%	0%	0%
Total Current Liabilities	109,268,092	173,656,065	(64,387,973)	-37%	10%	17%
Non-Current Liabilities						
Loans payable - non current	593,750,000	606,250,000	(12,500,000)	-2%	56%	61%
Total Liabilities	703,018,092	779,906,065	(76,887,973)	-10%	67%	78%
Equity						
Share capital	218,600,000	206,800,000	11,800,000	6%	21%	21%
Share premium	193,164,000	39,200,000	153,964,000	393%	18%	4%
Accumulated deficits	(60,881,130)	(27,760,162)	(33,120,968)	119%	-6%	-3%
Equity, Net	350,882,870	218,239,838	132,643,032	61%	33%	22%
Total Liabilities and Equity	₱ 1,053,900,962	₱ 998,145,903	₱ 55,755,059	6%	100%	100%

Total assets increased from ₱998M to ₱1.053B. The increased was caused by the increased in trade and other receivables, inventories, prepayments and other current assets, property and equipment and deferred tax asset. This was negated by the decrease in cash.

Cash decreased by ₱91.85M was primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations and proceeds from advances and issuance of shares.

The increase in trade and other receivables by ₱17.33M was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company started its operation in the second quarter of 2022.

The increase in inventories pertains mainly to purchases of pharmacy, hospital, laboratory and dietary supplies as the Company started its operation in the second quarter of 2022.

Prepayments and other current assets increased by ₱2.58M. This is primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.

Property and equipment increased by ₱98.42M This due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In second quarter of 2022, the Company launched the operations of its hospital building and facilities, hence Construction-in-progress was reclassified to Hospital Building Account partly negated by the depreciation as of the period by ₱23.82M.

The increase in intangible asset pertains to acquisition of hospital information system of the hospital.

The increase in deferred tax assets by ₱10.03M was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2022.

Total liabilities decreased by ₱76.88M. The decrease was primarily due to the payment made in advances from shareholders and trade and other payables.

Trade and other payables decreased by ₱34.79M. This decrease was mainly due to the lower purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, decreased of retention payable and accrued interest payable.

There was no movement in loans payable from 2021 to 2022.

Advances from related parties in 2022 decreased by ₱44.51M. This was primarily due the payment of the advances.

The ₱132.64M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

DECEMBER 31, 2021 COMPARED TO DECEMBER 31, 2020

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2021	31-Dec-2020	Inc (Dec)	%age	31-Dec-2021	31-Dec-2020
Revenues	₱ 3,937,282	-	₱ 3,937,282	100%	100%	n/a
Cost of sales and services	(15,050,297)	-	15,050,297	100%	-382%	n/a
Other income	63,163	14,892	48,271	324%	2%	n/a
Operating expenses	(18,015,476)	(1,192,730)	16,822,746	1410%	-458%	n/a
Income tax benefit	6,756,942	351,353	6,405,589	1823%	172%	n/a
Net loss	₱ (22,308,386)	₱ (826,485)	₱ 21,481,901	2599%	-567%	n/a

As disclosed in Note 1 in the financial statements, the Company has not commenced full commercial operation and the construction of a multidisciplinary medical facility (hospital) is still on-going and was completed in the first quarter of 2022. However, in September 2021, the Company opened to the public its Out-Patient Department (OPD) under limited operation. This causes the 100% increase in Revenue in 2021.

Other income for the year 2021 increase by 324% as compared with the year 2020. This was due to the higher interest income due to the higher cash daily average balance and other income from the soft opening of Out-Patient Department.

The 100% increase in the cost of sales and services was directly associated with the company's soft opening of Out-Patient Department.

Expenses in 2021 are higher compared to 2020 by 1,410%. This was primarily due to significant increase in all expenses in 2021 in relation to the soft opening of Out-Patient Department and in preparation for the full commercial operation by 2022.

Income tax benefit increased by 1,823% in 2021. This was primarily due to increase in expenses resulting to higher taxable loss in 2021 negated by the adjustment due to CREATE Act and tax effect of expired 2018 NOLCO.

Loss for the year for the year 2021 is higher than losses suffered in 2020 by 2599%. The significant increase was primarily due to increase in expenses in 2021 negated by the recognition of income tax benefit on the taxable loss for 2021

Financial Condition

	31-Dec-2021	31-Dec-2020	Horizontal Analysis		Vertical Analysis	
			Inc(Dec)	%age	31-Dec-2021	31-Dec-2020
ASSETS						
Current Assets						
Cash	₱ 102,299,385	₱ 125,900,172	(23,600,787)	-19%	10%	20%
Trade and other receivables	53,000	3,729,431	(3,676,431)	-99%	0%	1%
Inventories	1,990,948	-	1,990,948	100%	0%	0%
Prepayments and other current as	689,482	559,288	130,194	23%	0%	0%
Total Current Assets	105,032,815	130,188,891	(25,156,076)	-19%	11%	21%
Non-current Assets						
Property and equipment	884,574,254	497,729,089	386,845,165	78%	89%	79%
Advances to contractors and suppliers	-	1,105,278	(1,105,278)	-100%	0%	0%
Deferred tax asset	8,538,834	1,781,892	6,756,942	379%	1%	0%
Total Non-Current Assets	893,113,088	500,616,259	392,496,829	78%	89%	79%
Total Assets	₱ 998,145,903	₱ 630,805,150	₱ 367,340,753	58%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 99,435,681	₱ 24,875,336	74,560,345	300%	10%	4%
Advances from related parties	54,798,338	66,009,040	(11,210,702)	-17%	5%	10%
Loans payable - current	18,750,000	-	18,750,000	100%	2%	0%
Other current liabilities	672,046	372,550	299,496	80%	0%	0%
Total Current Liabilities	173,656,065	91,256,926	82,399,139	90%	17%	14%
Non-Current Liabilities						
Loans payable - non current	606,250,000	425,000,000	181,250,000	43%	61%	67%
Total Liabilities	779,906,065	516,256,926	263,649,139	51%	78%	82%
Equity						
Share capital	206,800,000	120,000,000	86,800,000	72%	21%	19%
Share premium	39,200,000	-	39,200,000	100%	4%	0%
Accumulated deficits	(27,760,162)	(5,451,776)	(22,308,386)	409%	-3%	-1%
Equity, Net	218,239,838	114,548,224	103,691,614	91%	22%	18%
Total Liabilities and Equity	₱ 998,145,903	₱ 630,805,150	₱ 367,340,753	58%	100%	100%

Total assets increased from ₱630.8M to ₱988M. The increased was caused by the increased in inventories, prepayments and other current assets, property and equipment and deferred tax asset. This was negated by the decrease in cash, receivables and advances to contractors.

Cash decreased by ₱23.6M was primarily due to the construction in progress and payment of interest, this was partly negated by the proceeds from the release of additional bank loans, additional advances from related parties and issuance of shares.

The receivables from ACEMC-Dagupan Inc. amounting to ₱3,729,431 was collected in full in 2021. The ₱.053M balance of receivable pertains to advances to officers and employees for corporate activities subject for liquidation.

Advances to contractors decreased by ₱1.1M. The decrease was due full liquidation of the down payments related to the construction of the building.

The increase in inventories pertains mainly to purchases of medical supplies for the soft opening of out-patient department.

Prepayments and other current assets increased by ₱.130M. This is primarily due to advance payment made to electric company and for taxes and licenses.

Property and equipment increased by ₱386.8M This was due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures and other hospital equipment negated by depreciation expense for the year 2021.

Deferred tax asset increased by ₱6.75M due to the recognition of DTA on NOLCO for year 2021 negated by the adjustment due to changes in tax rate in accordance with the provisions of CREATE Act and tax effect of expired 2018 NOLCO.

Total liabilities increased by ₱263.65M. The increase was primarily due to the additional loan availed by the company during the year 2021 and increase in payables in relation to the ongoing construction of the hospital building negated by the decrease in advances from shareholders.

Payables increased by ₱74.8M mainly due to the increase in retention payable which is computed based on progress billing payment, increase in accounts payable for unpaid purchases of goods and services including medical equipment, increase in accrued expenses and government statutory payables.

Loans payable represents interest-bearing loan from Banks in support of the construction of the Company's hospital building. The Company received additional loan releases or draw down from Development Bank of Philippines amounting to ₱200M resulting to 47% increase on loans payable.

Advances from related parties in 2021 decreased by ₱11.21M. This was primarily due to additional advances in 2021 negated by the conversion of portion of advances from founders to equity as payment for their subscribed capital.

The ₱103.69M increase in the total equity is primarily due to issuance of shares. This was negated by the negative result of operation for the year.

Material Changes in Financial Condition

From January 1, 2023 to December 31, 2023	From January 1, 2022 to December 31, 2022	From January 1, 2021 to December 31, 2021
<p>a. Cash decreased by ₱1.76M Primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations and proceeds from advances and issuance of shares.</p>	<p>a. Cash decreased by ₱91.85M Primarily due to the expenditures on the construction of the hospital building, acquisition of equipment and furniture and fixtures, payment of interest and the operating expenses for the period, this was partly negated by and collection from operations and proceeds from advances and issuance of shares.</p>	<p>a. Cash decreased by ₱23.6M The increased was caused by the increased in inventories, prepayments and other current assets, property and equipment and deferred tax asset. This was negated by the decrease in cash, receivables and advances to contractors.</p>
<p>b. Trade and other receivables increased by ₱4.3M The increase was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company</p>	<p>b. Trade and other receivables increased by ₱17.33M The increase was primarily due to Company's receivable from PhilHealth, receivables from patients and reimbursements from HMO and DSWD as the Company</p>	<p>b. Receivables decreased by ₱3.729M The decrease was due to the collection of receivables from ACEMC-Dagupan Inc. amounting to ₱3,729,431 in 2021</p>

started its full operation in January 2023.	started its operation in the second quarter of 2022.	
		c. Advances to contractors and suppliers decreased by ₱1.1M was due full liquidation of the down payments related to the construction of the building
c. Inventories decreased by ₱756.2T The decrease in inventories pertains mainly to consumption of pharmacy, hospital, laboratory and dietary supplies as the Company started its full operation in January 2023.	c. Inventories increased by ₱18.02M The increase in inventories pertains mainly to purchases of pharmacy, hospital, laboratory and dietary supplies.	d. Inventories increased by ₱1.99M due to purchases of medical supplies for the soft opening of out-patient department.
d. Prepayment and other currents assets increased by ₱4.67M	d. Prepayment and other currents assets increased by ₱2.58M	e. Prepayment and other currents assets increased by ₱.130M
Primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.	Primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.	primarily due to advance payment made to electric company and taxes and licenses
e. Property and equipment Increased by ₱8.9M This due to depreciation expense for the period negated by additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment.	e. Property and equipment Increased by ₱98.42M This due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures, transportation equipment and other hospital equipment and partly negated by depreciation expense for the period. In second quarter of 2022, the Company launched the operations of its hospital building and facilities, hence Construction-in-progress was reclassified to Hospital Building Account partly negated by the depreciation as of the period by ₱23.82M.	f. Property and equipment Increased by ₱386.8M due to additional capital expenditures on the construction of the hospital building and acquisition of medical equipment, office equipment/furniture and fixtures and other hospital equipment
f. Intangible assets decreased by ₱280K The decrease pertains to amortization of hospital information system of the hospital..	f. Intangible assets increased by ₱1.21M The increase pertains to acquisition of hospital information system of the hospital.	
g. Deferred tax asset increased by ₱2.7M	g. Deferred tax asset increased by ₱10.03M	g. Deferred tax asset increased by ₱6.75M

The increase was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2023.	The increase was mainly due to recognition of DTA on NOLCO, on allowance for credit losses and MCIT for the year ended December 31, 2022.	due to the recognition of DTA on NOLCO for year 2021 negated by the adjustment due to changes in tax rate in accordance with the provisions of CREATE Act and tax effect of expired 2018 NOLCO.
h. Trade and other payables decreased by ₱14.98M This decrease was mainly due to the higher purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, increase in accrued interest payable and decreased of retention payable.	h. Trade and other payables decreased by ₱34.79M This decrease was mainly due to the lower purchases to suppliers of goods and services, payable of professional fee for doctors and accrued expenses, the decreased of retention payable and accrued interest payable.	h. Payables increased by ₱74.8M mainly due to the increase in retention payable which is computed based on progress billing payment, increase in accounts payable for unpaid purchases of goods and services including medical equipment, increase in accrued expenses and government statutory payables.
		i. Loans payable increased by ₱200M the Company received additional loan releases or draw down from Development Bank of the Philippines
i. Advances from related parties	i. Advances from related parties decreased by ₱44.51M	j. Advances from related parties decreased by ₱11.21M
Advances from related parties has no movement from beginning of 2022 to end of 2023.	This was primarily due the payment of the advances.	primarily due to additional advances in 2021 negated by the conversion of portion of advances from founders to equity as payment for their subscribed capital.
k. Equity increased by ₱16.21M due to issuance of shares which was negated by the negative result of operation for the year	k. Equity increased by ₱132.64M due to issuance of shares which was negated by the negative result of operation for the year	k. Equity increased by ₱103.69M due to issuance of shares which was negated by the negative result of operation for the year

Material Changes in Operations

2023 vs. 2022	2022 vs. 2021	2021 vs. 2020
a. Revenue increased by 49% Its full operation commenced in January 2023 which causes significant increase in Revenue in 2023	a. Revenue increased by 4571% This was due to start of the Company's partial operation of the hospital in second quarter of 2022.	a. Revenue increased by 100% The Company opened to the public its Out-Patient Department (OPD) under limited operation in last September 2021

<p>a. Cost of sales and services increased by 231%</p> <p>The significant increase in the cost of sales and services was directly associated with the start of the Company's full operation in 2023. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services..</p>	<p>a. Cost of sales and services increased by 1131%</p> <p>The significant increase in the cost of sales and services was directly associated with the start of the Company's partial operation in 2022. The major component of the cost of sales and services are employee's salaries and wages, professional fees, depreciation expense, medical, pharmacy and laboratory supplies, communication, light and water and outside services.</p>	<p>a. Cost of sales and services increased by 100%</p> <p>increase in the cost of sales and services was directly associated with the company's soft opening of Out-Patient Department</p>
<p>c. Operating expenses decreased by 22%</p> <p>This was primarily due to significant decrease in expenses such as office supplies, insurance, directors' allowances and officers' compensation.</p>	<p>c. Operating expenses increased by 198%</p> <p>Primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.</p>	<p>c. Expenses increased by 1410%</p> <p>This was primarily due to significant increase in all expenses in 2021 in relation to the soft opening of Out-Patient Department and in preparation for the full commercial operation by 2022</p>
<p>d. Other income increased by 56%</p> <p>This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.</p>	<p>d. Other income increased by 1522%</p> <p>This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.</p>	<p>d. Other income increased by 324%</p> <p>was due to the higher interest income due to the higher cash daily average balance and increase in other income in 2021 in relation to soft opening of OPD</p>
<p>e. Finance costs increased by 96%</p> <p>This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.</p>	<p>e. Finance costs increased by 100%</p> <p>This is primarily due to interest on loans pertaining to acquisition of transportation equipment, medical equipment and working capital which are directly charged to operation. This also includes the interest on loan for construction of hospital building which are now being charged to operation.</p>	
<p>f. Income tax benefit increased by 73%</p>	<p>f. Income tax benefit increased by 44%</p>	<p>e. Income tax benefit increased by 1,823%</p>
<p>This was primarily due to lower expenses in 2023 resulting to lower taxable loss.</p>	<p>This was primarily due to increase in expenses resulting to higher taxable loss in 2022</p>	<p>This was primarily due to increase in expenses resulting to higher taxable loss in 2021 negated by the adjustment due to CREATE Act and tax effect of expired 2018 NOLCO</p>

g. Loss for the year decreased by 86%	g. Loss for the year increased by 48%	g. Loss for the year increased by 2599%
Primarily due to the significant decrease of expenses as the Company.	Primarily due to the significant increase of expenses as the Company started the partial operation of the hospital in the second quarter of 2022.	The significant increase was primarily due to increase in expenses in 2021 negated by the recognition of income tax benefit on the taxable loss for 2021.

KEY PERFORMANCE INDICATORS

	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
3. Liquidity			
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + receivables) / current liabilities]	0.245:1	0.255:1	0.589:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.464:1	0.468:1	0.605:1
2. Solvency			
d. Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	1.871:1	2.004:1	3.574:1
3. Profitability			
b. Net profit margin - ability to generate surplus for stockholder (net income / sales)	(0.017) :1	(0.180) :1	(5.666) :1
c. Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	(0.013):1	(0.116):1	(0.134):1
4. Leverage			
a. Debt to total asset ratio - the proportion of total assets financed by creditors. (total liabilities / total assets)	0.652:1	0.667:1	0.781:1
b. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	2.871:1	3.004:1	4.574:1
1. Interest Rate Coverage Ratio			
b. Interest rate coverage ratio - measure of the company's ability to meet its interest payments (earnings before interest and taxes / interest expense) Remarks: The Company was able to meet its interest payments.	0.828:1	(0.750):1	(0.935):1

There are no known trends, events or uncertainties that have material impact on liquidity. Nevertheless, management still continues to pursue intensive efforts improvement cash management.

There are no events that will trigger direct or contingent financial obligation that is material to the Company.

The Company is not involved in legal proceedings, tax and/or regulatory assessments.

There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company continues to spend capital expenditures in relation to the construction of the hospital building and the acquisition of property and equipment.

The Company commenced its business operations last January 19, 2022.

The financial condition or results of operations of the Company are not affected by any seasonal change.

Financial Risks

- a. Interest Rate Risk – The Company’s interest rate risk is limited to its cash in banks and loans payable.
- b. Credit Risk – The Company’s credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms and in monitoring its credit risk. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD.
- c. Liquidity Risk – As part of the Company’s overall liquidity management, the Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties, if there’s any.

The Company has no investments in foreign securities.

D. Certain Relationships and Related Transactions

(1) During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

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

March 31, 2024 (Unaudited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱10,280,483		

December 31, 2023 (Audited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Founders	Payments	-		Non-interest bearing; payable in cash or the Shareholders may apply them from their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	-	₱10,280,483		

December 31, 2022 (Audited)

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Shareholders	Payments	₱(54,798,338)		Non-interest bearing; payable in cash or the Shareholders may apply them to their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	10,280,483	₱10,280,483		

Cash Advances

The Company obtains cash advances from shareholders to finance its on-going construction of hospital building and working capital requirements. These are unsecured, payable in cash with no scheduled repayment terms. The outstanding balance of these advances were presented under Advances from shareholders account in the statements of financial position.

- (2) Aside from the party mentioned above, there is no other relationship that has existing negotiations on material transactions.
- 3) There is no transaction with promoters for the past 5 years.

E. Management and Certain Security Holders

Directors, Executive Officers

There are fifteen (15) members of the Board, three (3) of whom are independent directors who hold office for one (1) year. Please refer to page 5 for the list of incumbent directors/officers. The Corporation relies significantly on the continued collective efforts of its senior executive officers and expects each employee to do his share in achieving the Corporation's goals.

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the company to become directors, or executive officers, any security holder of certain record, beneficial owner or management.

No director or executive officer has been involved in any legal proceeding during the last five (5) years.

F. Corporate Governance

The Company remains committed to its Corporate Vision-Mission and mandate. The directors, officers and key hospital personnel attended lectures on New Code of Corporate Governance for Public Companies and Registered Issuer and Revised Corporation Code of the Philippines on July 16 and 17, 2021 provided by Center for Global Best Practices (CGBP), in compliance with SEC Memorandum Circular No. 20, series of 2013 and the Corporation's Manual on Corporate Governance.

The Corporation has filed its Manual on Corporate Governance on June 29, 2022.

The independent directors have submitted their Certificate of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.

ANNEX “C”

**Top 20 Stockholders
Allied Care Experts (ACE) Medical Center-Palawan Inc.
As of March 31, 2024**

STOCKHOLDER's NAME	NATIONALITY	OUTSTANDING SHARES	PERCENTAGE
DR. AMADO C. ENRIQUEZ	FIL	3,400,000	1.42%
DR. EDITHA C. MIGUEL	FIL	3,400,000	1.42%
DR. SONIA J. ULANDAY	FIL	3,400,000	1.42%
DR. LORNA FELIZARTE	FIL	3,400,000	1.42%
DR. LUMEN PALANCA	FIL	3,400,000	1.42%
DR. IVAN MICHAEL VICENTE	FIL	3,400,000	1.42%
DR. KAREN A. ACOSTA	FIL	3,400,000	1.42%
DR. FREDERICK DALINGDING	FIL	3,400,000	1.42%
DR. ROSALIE REYES	FIL	3,400,000	1.42%
DR. FERNANDO CARLOS	FIL	3,400,000	1.42%
DR. LA RHAIN G. VIERNES	FIL	3,400,000	1.42%
DR. MINA SIRIKIT TAGRA	FIL	3,400,000	1.42%
DR. GEANIE A. CERNA – LOPEZ	FIL	6,800,000	2.83%
DR. MICHAEL EDWARD R. ENRIQUEZ	FIL	13,600,000	5.67%
DR. MARIETTA T. SAMOY	FIL	6,800,000	2.83%
DR. MIGUEL ANTONIO R. ENRIQUEZ	FIL	13,600,000	5.67%
DR. MARILYN R. ENRIQUEZ	FIL	3,400,000	1.42%
DR. JONATHAN LAO	FIL	3,400,000	1.42%
DR. JOSEPH TOVERA	FIL	3,400,000	1.42%
DR. JULIETTA B. CARLOS	FIL	3,400,000	1.42%
DR. ARNEL M. BONDOC	FIL	3,400,000	1.42%
DR. REGIDOR L. ALFARO	FIL	3,400,000	1.42%
DR. APRIL RHEIBOY ANDAL	FIL	3,400,000	1.42%
DR. EVELYN D. FUNELAS	FIL	3,400,000	1.42%
ENGR. GENEROSO M. ORILLAZA	FIL	3,400,000	1.42%
TOTAL		112,200,000	46.82%