

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

**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: Postal Code: **5300**
JOMARI BLDG. B2F, MALVAR ST., PUERTO PRINCESA CITY, PALAWAN

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

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

Date : December 19, 2023
Time : 7:00 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:
November 24, 2023

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	218,600 SHARES/ Php 788,420,636

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.

PART I

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 : December 19, 2023
Time : 7:00 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 **November 24, 2023**.

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 **October 31, 2023**

	Shares Outstanding	No. of Vote Each Share Is Entitled
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Common Shares:		
Filipino	230,590	One (1) vote per share
Foreign	0	One (1) vote per share
Total	230,590	

(b) Record Date:

All stockholders of record as of **November 29, 2023**, 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 September 30, 2023

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 **October 31, 2023**, 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 Founder	Enriquez, Michael Edward R. Quezon City, Stockholder	Amado Manuel C. Enriquez Jr. Father Marilyn R. Enriquez Mother Miguel Antonio R. Enriquez Brother	Filipino Filipino Filipino	13,560 40	14.1%	13,600 (R) 20,400 (B)
Common Founder	Enriquez, Miguel Antonio R. Quezon City, Stockholder	Amado Manuel C. Enriquez Jr. Father Marilyn R. Enriquez Mother Michael Edward R. Enriquez Brother	Filipino Filipino Filipino	13,560 40	14.1%	13,600 (R) 20,400 (B)
Common Founder	Amado Manuel C. Enriquez Jr. Quezon City, Stockholder	Marilyn R. Enriquez Wife Miguel Antonio R. Enriquez Son Michael Edward R. Enriquez Son	Filipino Filipino Filipino	3,390 10	14.1%	3,400 (R) 30,600 (B)
Common Founder	Marilyn R. Enriquez Quezon City, Stockholder	Amado Manuel C. Enriquez Jr. Husband Miguel Antonio R. Enriquez Son Michael Edward R. Enriquez, Son	Filipino Filipino Filipino	3,390 10	14.1%	3,400 (R) 30,600 (B)

Security Ownership of Directors and Management as of **October 31, 2023**:

(1) Title of Class	(2) Name of Beneficial Owner	Position	(3) Amount (PhP) and Nature of	(4) Citizenship	(5) Percentage (%) of Class	Nature of Ownership
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			Beneficial Ownership			
	Board of Directors:					
Common	Amado Manuel C. Enriquez, Jr	Director	Common Direct 3,390,000.00 Common Indirect 30,510,000.00 Founder Direct 10,000.00 Founder Indirect 90,000.00	Filipino	1.41% (R) 12.69% (B)	3,400,000.00 (R) 30,600,000.00 (B)
Common	Editha C. Miguel	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Carlos, Fernando P.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Cerna-Lopez, Geanie A	Director	Common Direct 6,780,000.00 Founder Direct 10,000.00	Filipino	2.83%	6,800,000.00 (R)
Common	Acosta, Karen A.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Enriquez, Michael R.	Director	Common Direct 13,560,000.00 Common Indirect 20,340,000.00 Founder Direct 40,000.00 Founder Indirect 60,000.00	Filipino	5.65%	13,600,000.00 (R)
Common	Dalingding, Frederick F.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Salvame ,Eryll O.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Palanca, Lumen R	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Soler, Charlemagne C.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Samoy, Marietta T.	Director	Common Direct 6,780,000.00 Founder Direct 10,000.00	Filipino	2.83%	6,800,000.00 (R)
Common	Tagra, Mina Sirikit	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Ulanday, Sonia J.	Director	Common Direct 3,390,000.00	Filipino	1.41%	3,400,000.00 (R)

			Founder Direct 10,000.00			
Common	Vicente, Ivan Michael G.	Director	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common	Viernes, La Rhaine G.	Director	Common Direct 3,390,000.00 Founder 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Total for Directors						

As of October 31, 2023

Executive Officers:						
Common Shares	Editha C. Miguel	President	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common Shares	Karen A. Acosta	Vice-President	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common Shares	Sonia J. Ulanday	Secretary	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common Shares	Lumen T. Palanca	Treasurer	Common Direct 3,390,000.00 Founder Direct 10,000.00	Filipino	1.41%	3,400,000.00 (R)
Common Shares	Marrieta T. Samoy	Assistant Treasurer	Common Direct 6,780,000.00 Founder Direct 10,000.00	Filipino	2.83%	6,800,000.00 (R)
Total for Officers						
Common Shares	Directors and Exec. Officers as a Group		67,940,000			

(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
 Acosta, Karen A.
 Carlos, Fernando P.
 Cerna-Lopez, Geanie A.
 Dalingding, Frederick F.
 Enriquez, Michael Edward R,
 Salvame, Eryll O. - Independent Director
 Miguel, Editha C.
 Palanca, Lumen R.
 Soler, Charlemagne C. - Independent Director
 Samoy, Marietta T.
 Tagra, Mina Sirikit C. – Independent Director
 Ulanday, Sonia J.
 Vicente, Ivan Michael G.
 Viernes, La Rhaine G.

The following have been nominated to the Board for the ensuing year 2023:

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	Felicisimo “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, Hazel Marie C. Recidoro, Jonathan H. Reblando and Mina Sirikit Tagra were nominated by Geanie Cerna A. Lopez, Evelyn D. Funelas and Marietta T. Samoy, respectively. The nominees are not related to their respective nominating stockholders and were pre-screened by the Nominations Committee composed of Frederick Dalingding, Lumen Palanca, and Mina Sirikit Tagra.

The Company's key executive officers as of October 31, 2023, are as follows:

Amado Manuel C. Enriquez	- Chairman
Editha C. Miguel	- President
Karen A. Acosta	- Vice-President
Sonia J. Ulanday	- Corporate Secretary
La Rhaine G. Viernes	- Asst. Secretary
Lumen Palanca	- Treasurer
Marietta T. Samoy	- 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 13 to 16) 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 Michael Edward R. Enriquez and 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:

September 30, 2023 (Unaudited)

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders	Payments	₱ -		Non-interest bearing; payable in cash or the Shareholders may apply them to their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	23,700,000	₱33,980,483		

December 31, 2022 (Audited)

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
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.

Involvement in Certain Legal Proceedings

As of October 31, 2023, 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)
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Name & Principal Position	Year	Salary	Bonus	Other Compensation
A. Chairman	2022	90,000.00 -	-	-
B. President	2022	90,000.00 -	-	-
C. Corporate Secretary	2022	60,000.00 -	-	-
D. Treasurer	2022	60,000.00 -	-	-
E. Aggregate For The Above Named CEO & Officers	2024-Estim	-	-	-
	2023-Estim.	300,000.0	-	-
	2022	200,000.0	-	-
	2021	0	-	--
F. Aggregate For The Officers And Directors As A Group	2024-Estim	3,000,000	-	-
	2023-Estim.	2,000,000	-	-
	2022	.	-	-
	2021	-0	-	-

- 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.
- The Company has a registered, non-contributory retirement plan. All regular employees are covered from the President down to rank and file.
- 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 165,000.00 (exclusive of VAT and out-of-pocket expenses).

- 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.
- 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.
- 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.
- 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.
- 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 2022- P220,000.00 (billed and paid in 2022 and 2023).
For the year 2021- P253,000.00 (billed and paid in 2021 and 2022)
- 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 (P220,000.00); and (b) All Other Fees, including estimated out of pocket expenses accrued by the Company as of March 31, 2023 (P33,000.00).

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 12, 2022 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 Y2022
 - V. Approval of the day's agenda
 - VI. Election of Directors for Y2022-2023
 - VII. Appointment of External Auditor 2022
 - VIII. Treasurer's Report/ Approval of Y2021 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
February 24,2022	Memorandum of Agreement with private Hospital for Medical Assistance to Indigent patients between ACEMC Palawan Inc. and the Department of Health (DOH).
August 24,2022	Memorandum of Agreement between ACEMC Palawan Inc. and Department of Social Welfare and Development- Field Office IV-MIMAROPA.
August 24,2022	Memorandum of Agreement between ACEMC Palawan Inc. and Provincial Government.
April 21,2023	Constitution of 18 committees
April 21,2023	Appointment of Dr. Ramil M. Morales as additional signatory of the Auto Debit of payroll
April 3,2023	Increase of per diem per meeting from 3, 000 per meeting to 5,000 per meeting starting January 2023
July 6,2023	Approval of Salary increase of some 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	Approval of the postponement of the 2023 Annual Stockholders Meeting, from August 25,2023 to October 26,2023
October 19,2023	Approval of the postponement of the Annual stockholder's Meeting, of the corporation this year from November 29,2023 to December 19,2023.

2. Election of Directors including Independent Directors for Y2023-2024
3. Appointment of External Auditor for fiscal year ending 31 December 2023

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 12, 2022. 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:

- Call to Order
- II. Invocation
- III. Roll Call & Declaration of Quorum
- IV. Reading and approval of the minutes of the previous stockholder's meeting Y2022
- V. Approval of the day's agenda
- VI. Election of Directors for Y2022-2023
- VII. Appointment of External Auditor 2022
- VIII. Treasurer's Report/ Approval of Y2021 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.	184,140
	JOSEPH M. TOVERA, MD.	184,140
	JANICE DALE T. PORTALES,MD.	184,140
	REGIDOR L. ALFARO ,MD.	184,140
	EVELYN D. FUNELAS , MD.	184,140
	LUMEN R. PALANCA , MD.	184,140
	MARIETTA T. SAMOY, MD.	184,140
	FERNANDO CARLOS, MD.	184,140

	MICHAEL EDWARD R. ENRIQUEZ , MD.	184,140
	SHEREIL DELOS SANTOS PABLICO, MD.	184,140
	GEANIE CERNA- A. LOPEZ,MD.	184,140
	HAZEL MARIE C. RECIDORO INDEPENDENT DIRECTOR	184,140
	JONATHAN H. REBLANDO INDEPENDENT DIRECTOR	184,140
	MINA SIRIKIT C. TAGRA INDEPENDENT DIRECTOR	184,140
	IVAN MICHAEL G. VICENTE	184,140

Attached as Annex "D" is the list of the directors, officers and stockholders who attended the meeting, and Annex "E" on the attendance of directors in meetings for 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 2022:

PERFORMANCE ASSESSMENT FOR THE BOARD OF DIRECTORS
(January 1, 2022- December 31, 2022)

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, in order to sustain 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	5

judgment on all corporate affairs.	
13. The Board has at least 2 independent directors, or at least 20% of the members 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 of backgrounds 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 2022 was Php 220,000.00. 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 (Php 33,000.00)

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 **November 28, 2023.**

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

By:


SONIA J. ULANDAY
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. 71 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>Acosta, Karen A. 45 y/o, Filipino</p>	<p>Consultant- MMG Cooperative Hospital, Puerto Princesa City Consultant- Adventist Hospital, Palawan Treasurer- Palawan Medical Society</p>
<p>Carlos, Fernando P. 62 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: <ol style="list-style-type: none"> 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>Dalingding, Frederick F. 45 y/o, Filipino</p>	<p>Consultant – MMG Cooperative Hospital, Puerto Princesa City Consultant- Adventist Hospital, Palawan Medical Specialist- Ospital ng Palawan</p>

Enriquez, Michael Edward 36 y/o, Filipino	Hospital Administrator ACE Medical Center Valenzuela, Vice President ACE Medical Center Q.C, Vice President ACE Medical Center Pateros
Miguel, Editha C. 69 y/o, Filipino	DOH- Co- Chair Country Coordinating Mechanism (CCM) for Global 2017 Member, Board of Regents Palawan State University 2016-2020 Member, Finance Committee, Palawan State University Member, Board of Trustees Philippine Campus Crusade for Christ Consultant- 2017-2018 Consultant- Ospital ng Palawan 1992-2020 Consultant- Adventist Hospital Palawan – 1997-2020 President Council of Presidents ACEMC 2019-2020
Salvame, Eryll O. 33 y/o, Filipino	Chief Resident – Manila Doctors Hospital Department of Otorhinolaryngology- 2021 Residency Training – Manila Doctors Hospital Department of Otorhinolaryngology- 2017 - 2021
Palanca, Lumen Riego De Dios 65 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
Soler, Charlemagne C. 36 y/o, Filipino	Founder- ACEMC Palawan Inc. Residency Training in Internal MedicineDJRMHS- 2017-2020
Samoy, Marietta T. 66 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 2. Paranaque Doctors Hospital 3. Unihealth Paranaque Hospital and Medical Center 4. Las Pinas Medical Center Medical Center Muntinlupa
Ulanday, Sonia J. 53 y/o, Filipino	Fellow Philippine Pediatric Society Fellow, Philippine Academy of Pediatric Pulmonologist Master in Management Major in Hospital Administration Medical Specialist III, Ospital ng Palawan Chair, Department of Pediatrics, Ospital ng Palawan Consultant, Adventist Hospital Palawan, MMG Cooperative Hospital
Tagra, Mina Sirikit 62 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
Vicente, Ivan Michael G. 41 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
Viermes, La Rhaine G. 55 y/o, Filipino	Board Secretary – ACE Tacloban (2015-present) Board Assistant Secretary – ACE Palawan (2017-present)

	<p>Active Consultant – MMH Hospital Tacloban City (2014-2015) Training Officer – RTR Hospital, Tacloban City (2014-2015) Training Officer – Department of Pediatrics, Bethany Hospital (2003-2013) Pediatric Consultant – Department of Pediatrics, RTR Hospital Tacloban City (2001-present) Committee Member, Therapeutics & Pharmacy Committee – Bethany Hospital</p>
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NOMINEES FOR THE YEAR 2023-2024

Name	Business and Professional Work Experience
<p>Enriquez, Amado Manuel Jr. C. 71 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) 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>
<p>Reblando, Jonathan H. 47 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. 62 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: ACE Hospitals Paranaque Doctors Hospital Unihealth Paranaque Hospital and Medical Centre Las Pinas City Medical Centre Medical Centre Muntinlupa Asian Hospital and Medical Centre</p>
<p>Pablico, Shereil DLS.</p>	<p>Consultant – MMG Cooperative Hospital, Puerto Princesa City</p>

44 y/o, Filipino	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. 36 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. 47 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. 62 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 65 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
Portales, Janice Dale T. 46 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(PMMGMPC-Palawan) Vice President- Palawan Medical Society 2022-2023 Asst. Treasurer of Community Pediatric Society
Samoy, Marietta T. 66 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. 61 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. 44 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. 41 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. 62 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. **EDITHA N. MIGUEL** - President, see foregoing Director's Profile
4. **KAREN A. ACOSTA** – Vice-President, see foregoing Directors' Profile
5. **SONIA J. ULANDAY** – Corporate Secretary, see foregoing Director`s Profile
6. **LUMEN R. PALANCA** – Treasurer, see foregoing Director`s Profile
7. **MARIETTA T. SAMOY** -Asst. Treasurer see the foregoing Director's Profile
8. **LA RHAINÉ G. VIERNES** – 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 licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

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:

September 30, 2023 (Unaudited)

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders	Payments	₱ -		Non-interest bearing; payable in cash or the Shareholders may apply them to their unpaid subscription; no scheduled repayment terms	Unsecured
	Advances	23,700,000	₱33,980,483		

December 31, 2022 (Audited)

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
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:

	Q1		Q2		Q3		Q4		Q3
<i>Market Price</i>	2021	2022	2021	2022	2021	2022	2021	2022	2023
High	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Low	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2000,000

The price as of September 30, 2023 [Latest sale of shares] 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 667 holders of common shares of the Company as of September 30, 2022.

Please refer to Annex "C", page 40 for the list of top 20 stockholders as of September 30, 2022.

No dividends were declared in 2022, 2021 and 2020.

There are no restrictions that limit the payment of dividends on Common Shares.
There is no recent sale of unregistered or exempt securities.

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

FOR THE THIRD QUARTER OF 2023

Changes in Operating Results

The following table shows the consolidated financial highlights of the Company for the nine months period ended September 30, 2023 and 2022:

	For the nine months ended		Horizontal Analysis		Vertical Analysis	
	30-Sep-23	30-Sep-22	Inc (Dec)	%age	30-Sep-23	30-Sep-22
Revenues	₱ 221,319,976	₱ 106,108,586	₱ 115,211,390	109%	100%	100%
Cost of sales and services	(168,794,574)	(118,532,460)	50,262,114	42%	-76%	-112%
Other income	3,513,644	3,036,379	477,265	16%	2%	3%
Operating expenses	(63,619,556)	(47,448,650)	16,170,906	34%	-29%	-45%
Finance costs	(35,633,590)	-	35,633,590	100%	-16%	0%
Income tax benefit	10,803,685	14,238,944	(3,435,259)	-24%	5%	13%
Net loss	₱ (32,410,415)	₱ (42,597,201)	₱ (10,186,786)	-24%	-15%	-40%

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.

The revenue for the nine months ended September 30, 2023 increased by 109% from the 2022 revenues due to full operation in the nine months of 2023 as compared to partial operation in the first nine months of 2022.

Cost of sales and services for the nine months ended June 30, 2023 increased by 42% as compared with the September 30, 2022 figures. The increased is directly associated with the increase in revenue and full nine months hospital operations in 2023.

Other income for the nine months period September 30, 2023 increased by 16%. This was due to full nine months operation in 2023.

The 34% increase in operating expenses for the nine months ended September 30, 2023 compared with the nine months ended September 30, 2022 was primarily due to significant increase in some expenses particularly on compensation, professional fees and supplies.

Finance costs increased by 100% for the nine months ended September 30, 2023 compared to nine months ended September 30, 2022. The Company's building is already used for its intended purpose hence the interest on loan for construction of hospital building were directly charged to operation in 2023 instead of capitalization.

Income tax benefit for the nine months ended September 30, 2023 is lower compared to nine months ended September 30, 2022 due to lower taxable loss of the Company in 2023.

Loss for the nine months ended September 30, 2023 is lower compared to nine months ended September 30, 2022. This was due to full operation in 2023 compare to partial operation in 2022.

Financial Condition

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Horizontal Analysis		Vertical Analysis	
			Inc(Dec)	%age	September 30, 2023	December 31, 2022
ASSETS						
Current Assets						
Cash	₱ 8,058,817	₱ 10,440,293	(2,381,476)	-23%	1%	1%
Trade and other receivables	20,999,296	17,384,067	3,615,229	21%	2%	2%
Inventories	19,170,554	20,014,234	(843,680)	-4%	2%	2%
Prepayments and other current assets	5,341,881	3,274,862	2,067,019	63%	1%	0%
Total Current Assets	53,570,548	51,113,456	2,457,092	2080%	5%	5%
Non-current Assets						
Property and equipment - net	963,083,629	982,996,347	(19,912,718)	-2%	92%	93%
Intangible asset	1,073,332	1,213,333	(140,001)	-12%	0%	0%
Deferred tax asset	30,502,275	18,577,826	11,924,449	64%	3%	2%
Total Non-Current Assets	994,659,236	1,002,787,506	(8,128,270)	-1%	95%	95%
TOTAL ASSETS	₱ 1,048,229,784	₱ 1,053,900,962	(5,671,178)	-1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 66,092,864	₱ 64,643,413	1,449,451	2%	6%	6%
Loans payable - current	31,250,000	31,250,000	-	0%	3%	3%
Other current liabilities	1,424,559	3,094,196	(1,669,637)	-54%	0%	0%
Income tax payable	1,096,923	-	1,096,923	100%	0%	0%
Advances from related parties	33,980,483	10,280,483	23,700,000	231%	3%	1%
Total Current Liabilities	133,844,829	109,268,092	24,576,737	22%	13%	10%
Non-Current Liabilities						
Loans payable	570,312,500	593,750,000	(23,437,500)	-4%	54%	56%
Total Liabilities	704,157,329	703,018,092	1,139,237	0%	67%	67%
Equity						
Share capital	231,190,000	218,600,000	12,590,000	6%	22%	21%
Share premium	206,174,000	193,164,000	13,010,000	7%	20%	18%
Accumulated deficits	(93,291,545)	(60,881,130)	(32,410,415)	53%	-9%	-6%
Equity, net	344,072,455	350,882,870	(6,810,415)	-2%	33%	33%
TOTAL LIABILITIES AND EQUITY	₱ 1,048,229,784	₱ 1,053,900,962	(5,671,178)	-1%	100%	100%

As of September 30, 2023, the Company's total assets of ₱1,048,229,784 slightly decrease by ₱5,671,178 from ₱1,053,900,962 balance as of December 31, 2022. This was primarily due to decrease in cash and inventories and depreciation of property and equipment and amortization of intangible asset.

The decreased in Cash by ₱2,381,476 was primarily due to cash used in operations and payment of loans. This is negated by the proceeds from issuance of shares and advances from shareholders.

The increase in trade and other receivables by ₱3,615,229 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 decrease in inventories was primarily due to increase in consumption of medicines and supplies in relation to increase in revenue.

The increased in prepayments and other current assets by ₱2,067,019 was primarily due to increase in prepaid supplies.

Property and equipment decreased by 2% or ₱19,912,718 primarily due to depreciation for the nine months ended September 30, 2023.

Intangible asset decreased by 12% or ₱140,001 primarily due to amortization for the nine months ended September 30, 2023.

Deferred tax asset increased by ₱11,924,449 due to the additional recognition of DTA on NOLCO, MCIT and Credit losses for the nine months ended September 30, 2023.

Total liabilities decreased by ₱1,139,237 primarily due to decrease in other current liabilities and payment of loans payable. This is negated by the increase in trade and other payables and advances from related parties.

Trade and other payables increased by ₱1,449,451. This is primarily due to increase in trade payables and other accrued expenses. This is negated by the decrease retention payable and accrued interest.

Other current liabilities decrease by ₱1,669,637 primarily due to decrease in payable to BIR negated by the increase in statutory contribution payables.

The Company has income tax payable of ₱1,096,923 for the nine months ended September 30, 2023. Though the Company incurred losses, it is still subject to Minimum Corporate Income Tax.

Advances from related parties increased by ₱23,700,000. This was due to additional advances received from shareholders for additional working capital.

The decrease in loans payable of ₱23,437,500 was primarily due to payment of principal.

The decrease in equity of ₱6,810,415 was primarily due negative result of operation for the nine months ended September 30, 2023. This is negated by the increase in share capital and share premium from the additional issuance of shares..

Material Changes in Financial Condition

a. Cash decreased by ₱2.381M This is primarily due to payment of loans and the cash generated from operations is not enough to cover the operation expenditures.
b. Trade and other receivables increased by ₱3.615M 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 decreased by ₱.843M Due to increase in consumption of medicines and supplies in relation to increase in revenue.
d. Prepayments and other current assets increased by ₱2.067M Due to increase in prepaid supplies.
e. Property and equipment decreased by ₱19.912M Due to depreciation for the nine months ended September 30, 2023.

f. Intangible asset decreased by ₱140,001
Due to amortization for the nine months ended September 30, 2023.
g. Deferred tax asset increased by ₱11.924M
Due to the additional recognition of DTA on NOLCO, MCIT and credit losses.
h. Trade and other payables increased by ₱1.449M
Mainly due to increase in trade payables and accrued expenses, negated by the decrease in retention and interest payable.
i. Other current liabilities decreased by ₱1.669M
Due to decrease in payable to BIR negated by the increase in statutory contribution payables.
j. Income tax payable increased by ₱1,096,923
Though the Company incurred losses, it is subject to MCIT resulting to income payable of P1,096,923 for the nine months ended September 30, 2023.
k. Advances from related parties increased by ₱23.7M
Due to additional advances from shareholders for working capital.
l. Equity decreased by ₱6.810M
Primarily due to increase in accumulated losses. This is negated by the increase in share capital and share premium from the issuance of shares.

Material Changes in Operating Results

a. Revenue increased by 109%
Due to full operation in the nine months of 2023 as compared to partial operation in the first nine months of 2022.
b. Cost of Sales and Services increased by 42%
The increased is directly associated with the increase in revenue and full nine months hospital operations in 2023.
c. Operating Expenses increased by 34%
Primarily due to significant increase in some expenses particularly on compensation, professional fees and supplies.
d. Other income increased by 16%
This was due to full nine months operation in 2023.
e. Finance cost increased by 100%
The Company's building is already used for its intended purpose hence the interest on loan for construction of hospital building were directly charged to operation in 2023 instead of capitalization.
f. Income tax benefit decreased by 24%
Due to lower taxable loss of the Company in 2023.
g. Loss decreased by 24%
This was due to full operation in 2023 compare to partial operation in 2022.

THE COMPANY'S KEY PERFORMANCE INDICATORS

	Sept 30, 2023	Sept 30, 2022
1. Liquidity		
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + A/R) / current liabilities]	0.360:1	0.127:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.400:1	0.172:1
2. Solvency		
Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company.	2.047:1	2.633:1

(total liabilities / equity)		
3. Profitability		
a. Net profit margin - ability to generate surplus for stockholder (net income / sales)	(0.146):1	(0.401):1
b. Return on equity - ability to generate returns on investment of stockholders. (net income /average equity)	(0.101):1	(0.161):1
4. Leverage		
a. Debt to total asset ratio - the proportion of total assets financed by creditors. (total debt / total assets)	0.672:1	0.725:1
b. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	3.047:1	3.633:1
5. Interest Rate Coverage Ratio		
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.	(0.213):1	(2.973):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. 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.

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, 2022, DECEMBER 31, 2021 AND DECEMBER 31, 2020

The following table shows the financial highlights of the Company for the years then ended December 31, 2022, 2021, and 2020:

	<i>As of December 31</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Income Statement Data			
Revenue	P 183,890,792	P 3,937,282	P -
Other Income	1,024,653	63,163	14,892
Cost of Sales and Services	(155,179,858)	(15,050,297)	-
Operating expenses	(53,706,094)	(18,015,476)	(1,192,730)
Finance cost	(18,893,308)	-	-
Operating Loss	(42,863,815)	(29,065,328)	(1,177,838)
Income tax benefit	9,742,847	6,756,942	351,353
Net Loss	(33,120,968)	(P 22,308,386)	(P 826,485)

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 which causes significant increase in Revenue in 2022.

Cost of sales and services

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

Other income for the year 2022 increase by 1,522% as compared with the year 2021. This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.

Operating Expenses

Operating expenses in 2022 are higher compared to 2021 by 198%. This was primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.

Finance costs

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

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

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

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, 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, 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.

DECEMBER 31, 2020 COMPARED TO DECEMBER 31, 2019

Changes in Operating Results

	For The Year Ended		Horizontal Analysis		Vertical Analysis	
	31-Dec-2020	31-Dec-2019	Inc (Dec)	%age	31-Dec-2020	31-Dec-2019
Other income	₱ 14,892	₱ 14,791	₱ 101	0.68%	n/a	n/a
General and administrativ expenses	(1,192,730)	(4,001,569)	(2,808,839)	-70.19%	n/a	n/a
Income tax benefit	351,353	1,194,965	(843,612)	-70.60%	n/a	n/a
Net loss	₱ (826,485)	₱ (2,791,813)	(1,965,328)	-70.40%	n/a	n/a

There was 0.68% increase in interest income which was due to higher average daily balance in the cash in bank.

Expenses in 2020 are lower compared to 2019 by 70.19%. This was primarily due to significant decrease in all expenses in 2020 because of the pandemic, Covid 19.

Income tax benefit in 2020 is lower compared to 2019 by 70.60%. This was primarily due to significant decrease in all expenses in 2020 because of the pandemic, Covid 19 resulting to lower taxable loss.

Loss for the year ended December 31, 2020 is lower than December 31, 2019 by 70.4%. This was due to less operating activities in 2020 as compared to 2019 because of the pandemic, Covid 19.

Financial Condition

			Horizontal Analysis		Vertical Analysis	
	31-Dec-2020	31-Dec-2019	Inc(Dec)	%age	31-Dec-2020	31-Dec-2019
ASSETS						
Current Assets						
Cash	₱ 125,900,172	₱ 60,173,902	₱ 65,726,270	109%	20%	18%
Receivables	3,729,431	952,182	2,777,249	292%	1%	0%
Prepayments and other current as	559,288	643,468	(84,180)	-13%	0%	0%
Total Current Assets	130,188,891	61,769,552	68,419,339	111%	21%	19%
Non-current Assets						
Property and equipment	497,729,089	251,968,120	245,760,969	98%	79%	76%
Advances to contractors and suppliers	1,105,278	15,170,337	(14,065,059)	-93%	0%	5%
Deferred tax asset	1,781,892	1,430,539	351,353	25%	0%	0%
Total Non-Current Assets	500,616,259	268,568,996	232,047,263	86%	79%	81%
Total Assets	₱ 630,805,150	₱ 330,338,548	₱ 300,466,602	91%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Payables	₱ 24,875,336	₱ 12,184,608	₱ 12,690,728	104%	4%	4%
Advances from related parties	66,009,040	52,779,231	13,229,809	25%	10%	16%
Other current liabilities	372,550	-	372,550	100%	0%	0%
Total Current Liabilities	91,256,926	64,963,839	26,293,087	40%	14%	20%
Non-Current Liabilities						
Loans payable - non current	425,000,000	150,000,000	275,000,000	183%	67%	45%
Total Liabilities	516,256,926	214,963,839	301,293,087	140%	82%	65%
Equity						
Share capital	120,000,000	120,000,000	-	0%	19%	36%
Accumulated deficits	(5,451,776)	(4,625,291)	(826,485)	18%	-1%	-1%
Equity, Net	114,548,224	115,374,709	(826,485)	-1%	18%	35%
Total Liabilities and Equity	₱ 630,805,150	₱ 330,338,548	₱ 300,466,602	91%	100%	100%

Total assets increased from ₱330.3M to ₱630.8M. The increase was primarily due to the significant increase in cash, receivables and property and equipment and deferred tax asset which was negated by the decrease in advances to contractors and suppliers and prepayments and other current assets.

The increased in Cash by ₱65.72M was from the proceeds from bank loan and advances. These proceeds were partly used in the construction in progress, payment of interests and pre-operating expenses of the Company.

Receivables increased by ₱2.77M. This account primarily consists of receivable from related party – ACE Medical Center – Dagupan for the construction materials initially paid by the Company and negated by the collection of advances to officers and employees and other receivables.

Advances to contractors decreased by ₱14M. The decrease was due to the reclassification to construction in progress.

Prepayments and other currents assets decreased by ₱.084M. This account pertains to prepaid expenses related to the construction of hospital building which were subsequently reclassify to proper account.

Property and equipment increased by ₱245.76M representing additional construction costs of hospital building and purchases of office furniture and fixtures negated by ₱.041M depreciation for 2020.

Deferred tax asset increased by ₱.351M due to the recognition of DTA on NOLCO in 2020.

Total liabilities increased by ₱301M. The increase was primarily due to the released of loan availed by the company during the year 2020 and increase in payables and advances from shareholders.

Payables increased by ₱13M. This increase was mainly due to the significant increase in the retention payable and interest payable in relation with the Company's loan for the construction of hospital building as of December 31, 2020.

Loans payable represents interest-bearing loan from Banks and shareholders in support of the construction of the Company's hospital building. This increased by ₱275M in 2020 due to the loans availed by the Company from Development Bank of the Philippines.

The increase of ₱13.2M in advances from shareholders was due to additional advances in 2020.

The ₱.826M decrease in the total equity is primarily due to the negative result of pre-operation for the year. The Company is still non-operational and most of the expenses incurred relates to planning and mobilization expenses.

Material Changes in Financial Condition

From January 1, 2022 to December 31, 2022	From January 1, 2021 to December 31, 2021	From January 1, 2020 to December 31, 2020
<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>a. Cash increased by ₱65.72M was due from the proceeds from bank loan and advances. These proceeds were partly used in the construction in progress, payment of interests and pre-operating expenses of 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 started its operation in the second quarter of 2022.</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>	<p>b. Receivables increased by ₱2.77M primarily consists of receivable from related party – ACE Medical Center – Dagupan for the construction materials initially paid by the Company and negated by the collection of advances to officers and employees</p>
	<p>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</p>	<p>c. Advances to contractors and suppliers decreased by ₱14M was due to the reclassification to construction in progress.</p>
<p>c. Inventories increased by ₱18.02M The increase in inventories pertains mainly to purchases of pharmacy, hospital, laboratory and dietary supplies.</p>	<p>d. Inventories increased by ₱1.99M due to purchases of medical supplies for the soft opening of out-patient department.</p>	

<p>d. Prepayment and other current assets increased by ₱2.58M</p>	<p>e. Prepayment and other current assets increased by ₱.130M</p>	<p>d. Prepayment and other current assets decreased by ₱.084M</p>
<p>Primarily due to purchases of prepaid supplies which consist of unused housekeeping and linen supplies.</p>	<p>primarily due to advance payment made to electric company and taxes and licenses</p>	<p>This account pertains to prepaid expenses related to the construction of hospital building which were subsequently reclassify to proper account.</p>
<p>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.</p>	<p>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</p>	<p>e. Property and equipment increased by ₱245.76M due to additional construction costs of hospital building and purchases of office furniture and fixtures negated by ₱.041M depreciation for 2020.</p>
<p>f. Intangible assets increased by ₱1.21M The increase pertains to acquisition of hospital information system of the hospital.</p>		
<p>g. Deferred tax asset increased by ₱10.03M 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.</p>	<p>g. 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.</p>	<p>f. Deferred tax asset increased by ₱.351M due to the recognition of DTA on NOLCO in 2020</p>
<p>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.</p>	<p>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.</p>	<p>g. Payables increased by ₱13M due to the significant increase in the retention payable and interest payable in relation with the Company's loan for the construction of hospital building</p>
	<p>i. Loans payable increased by ₱200M the Company received additional loan releases or draw down from</p>	<p>h. Loans payable increased by ₱275M the Company received additional loan releases or draw down from</p>

	Development Bank of the Philippines	Development Bank of the Philippines
i. Advances from related parties decreased by ₱44.51M	j. Advances from related parties decreased by ₱11.21M	i. Advances from shareholders increased by ₱13.2M
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.	due to additional advances in 2020.
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	j. Equity decreased by ₱.826M primarily due to the negative result of pre-operation for the year. The Company is still non-operational and most of the expenses incurred relates to planning and mobilization expenses.

Material Changes in Operations

2022 vs. 2021	2021 vs. 2020	2020 vs. 2019
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	
a. Cost of sales and services increased by 1131% 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.	a. Cost of sales and services increased by 100% increase in the cost of sales and services was directly associated with the company's soft opening of Out-Patient Department	
c. Operating expenses increased by 198% Primarily due to significant increase in all expenses in 2022 in relation to the partial operation of the hospital.	c. Expenses increased by 1410% 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	a. Expenses decreased by 70.19% primarily due to significant decrease in all expenses in 2020 because of the pandemic, Covid 19
d. Other income increased by 1522% This is primarily due to increase in miscellaneous income in relation to the operation of the hospital.	d. Other income increased by 324% was due to the higher interest income due to the higher cash daily average balance and increase in other income	b. Other income increased by .68% due to higher average daily balance in the cash in bank resulting to higher interest income

	in 2021 in relation to soft opening of OPD	
e. Finance costs increased by 100% 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.		
f. Income tax benefit increased by 44% This was primarily due to increase in expenses resulting to higher taxable loss in 2022	e. Income tax benefit increased by 1,823% 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	c. Income tax benefit decreased by 70.60% primarily due to significant decrease in all expenses in 2020 because of the pandemic, Covid 19 resulting to lower taxable loss.
g. Loss for the year increased by 48% Primarily due to the significant increase of expenses as the Company started the partial operation of the hospital in the second quarter of 2022.	g. Loss for the year increased 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.	d. Loss for the year decreased by 70.4% This was due to less operating activities in 2020 as compared to 2019 because of the pandemic, Covid 19.

KEY PERFORMANCE INDICATORS

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
2. Liquidity			
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + receivables) / current liabilities]	0.255:1	0.589:1	1.42:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.468:1	0.605:1	1.439:1
2. Solvency			
c. Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	2.004:1	3.574:1	4.507:1
3. Profitability			
b. Net profit margin - ability to generate surplus for stockholder (net income / sales)	(0.180) :1	(5.666) :1	N/A
c. Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	(0.116):1	(0.134):1	(0.007):1
4. Leverage			
a. Debt to total asset ratio - the proportion of total assets	0.667:1	0.781:1	0.818:1

financed by creditors. (total liabilities / total assets)			
b. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	3.004:1	4.574:1	5.507:1
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.	(0.750):1	(0.935):1	(0.09):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

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

September 30, 2023 (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>
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		₱		Non-interest bearing; payable in cash or the Shareholders may apply them to their unpaid subscription; no scheduled repayment terms	Unsecured
Shareholders	Payments	-			
	Advances	23,700,000	₱33,980,483		
December 31, 2022 (Audited)					
Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
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	
	Advances	10,280,483	₱ 10,280,483		Unsecured

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 eleven (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 **October 31, 2023****

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 RHAINÉ 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%