



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



The following document has been received:

Receiving: Anthonio Kwong

Receipt Date and Time: July 13, 2022 01:21:22 PM

Company Information

SEC Registration No.: CS201540355

Company Name: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER-ZAMBOANGA CITY, INC.

Industry Classification: N85121

Company Type: Stock Corporation

Document Information

Document ID: OST1071320228599254

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2020

Submission Type: Amendment

Remarks: None



COVER SHEET

for
AUDITED AMENDED FINANCIAL STATEMENTS



SEC Registration Number **C S 2 0 1 5 4 0 3 5 5**

Company Name

A L L I E D C A R E E X P E R T S (A C E)
 M E D I C A L C E N T E R - Z A M B O A N G A
 C I T Y , I N C .

Principal Office (No./Street/Barangay/City/Town/Province)

D O N A L F A R O S T . , T E T U A N ,
 Z A M B O A N G A C I T Y

Form Type

F S 2 0

Department requiring the report

S E C

Secondary License Type, if Applicable

N / A

COMPANY INFORMATION

Company's Email Address
acemczamboanga@gmail.com

Company's Telephone Numbers
991-3928

Mobile Number's
09177799878

No. of Stockholders

FIFTY THREE (53)

Annual Meeting
Month/Day

2ND SUNDAY OF MAY

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person

JAMES ROBERTSON PICHEL

Email Address

acemczamboanga.corpsec@gmail.com

Telephone Number's

991-9893

Mobile Number

09177799816

Contact Person's Address

133 CANELAR ST., ZAMBOANGA CITY

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

Note 2: All boxes must be properly and completely filled up. Failure to do so shall cause the delay in updating the Corporation's record with the Commission and/or nonreceipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the Corporation from liability for its deficiencies.





**ALLIED CARE EXPERTS (ACE)
MEDICAL CENTER -
ZAMBOANGA CITY, INC.**

Don Alfaro St., Tetuan, Zamboanga City
TIN: 478-905-770-000
President: James Robertson C. Pichel

AUDITED AMENDED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

and

INDEPENDENT AUDITOR'S REPORT

(In Philippine Peso)

FLORIVEL M. DE JESUS
Certified Public Accountant
Contact No. (82) 991-1011 | 955-3563 | 955-5912
Direct Line No. (82) 928-6406 | 928-6306 | 928-3674
Accredited By: Collaborative Development Authority (CDA)
Securities & Exchange Commission (SEC)
(BIR) (DA)

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT
SIGNATURE NOT RETRIEVED

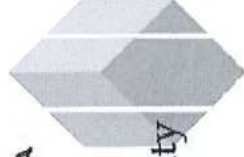




**ALLIED
CARE
EXPERTS**

MEDICAL CENTER - ZAMBOANGA

Member of ACE Group of Companies



**Securities and
Exchange
Commission**
PHILIPPINES

Statement of Management's Responsibility for Financial Statements

The management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** is responsible for the preparation and fair presentation of the amended financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of amended financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the amended financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the amended financial statements including the schedules attached therein and submits the same to the shareholders.

Florivel M. De Jesus, the independent auditor appointed by the shareholders, has audited the amended financial statements of the Company in accordance with Philippine Standards on Auditing, and in her report to the shareholders, has expressed her opinion on the fairness of presentation upon completion of such audit.


EDUARDO A. ONG
Acting Chairman of the Board


JAMES ROBERTSON C. PICHEL
President


LIEZA G. SAHI
Chief Financial Officer

Signed this 30th day of April 2022

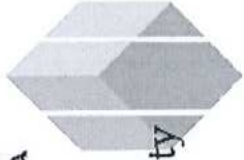
THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT
SIGNATURE NOT REQUIRED





**ALLIED
CARE
EXPERTS
MEDICAL CENTER - ZAMBOANGA**

Member of ACE Group of Hospitals



**Securities and
Exchange
Commission
PHILIPPINES**

Statement of Management's Responsibility for Annual Income Tax Return

The management of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2020. Management is likewise responsible for all information and representations contained in the amended financial statements accompanying the Annual Income Tax Return or Annual Information Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax (VAT) and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the management affirms that the attached audited amended financial statements for the years ended December 31, 2020 and 2019 and the accompanying Annual Income Tax Return are in accordance with the books and records of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC., complete and correct in all material respects. Management likewise affirms that:

- a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) Any disparity of figures in the submitted reports arising from the preparation of amended financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulation (RR) No. 8-2007 and other relevant issuances;
- c) The management of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. has filed all applicable tax returns, reports, and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

The Board of Directors reviews the amended financial statements including the schedules attached therein, before such statements are approved and submitted to the shareholders of the Company.

Florivel M. De Jesus, the independent auditor appointed by the shareholders, has examined the amended financial statements of the Company in accordance with Philippine Standards on Auditing and has expressed her opinion on the fairness of presentation upon completion of such examination, in her report to the shareholders.


JAMES ROBERTSON C. PICHEL
President


EDUARDO A. ONG
Acting Chairman of the Board


LIEZA G. SAHI
Chief Financial Officer

Signed this 30th day of April 2022

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT FROM THE OFFICIAL RECORDS OF THE SEC
Verified by:  TAMPUS Date Issued: 01 2022
SIGNATURE NOT REQUIRED





FLORIVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Allaro Street, Tectuan, Zamboanga City, Philippines 7000

Email Address: flordj36@yahoo.com

Contact No. (062) 991-1011 | 955-3563 | 955-8512 Direct Line No. 926-6408 | 926-6308 | 926-3874



TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the amended financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** for the year ended December 31, 2020, which are herewith submitted to the Securities and Exchange Commission, I hereby represent the following:

1. That said amended financial statements herewith were prepared and presented in conformity with the Philippine Financial Reporting Standards (PFRS) in all cases where I shall express an unmodified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
2. That as the conduct of my audit, I adhered to the Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
3. That I am qualified as provided for in Section 14 of the Code of Professional Ethics for the Certified Public Accountants;
4. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of the amended financial statements;
5. That I am fully aware of my responsibility as an independent auditor for the audit certificate issued and attached to the amended financial statements and the sanctions to be bestowed on me for any misrepresentations that I may have willingly or unwillingly committed; and
6. That I am an active officer of the PICPA Zamboanga-Basilan-Jolo, Sulu-Tawi-Tawi Chapter, in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA).

As a CPA engaged in public practice pursuant to Board Resolution No. 38, Series of 1990, Board of Accountancy, approved on February 19, 1990 by the Professional Regulation Commission, I make these representations in my individual capacity and as an accountant in the accounting firm of Florivel M. De Jesus Accounting and Auditing Office.


FLORIVEL M. DE JESUS

Board certificate no. 87417

TIN: 263-445-116

PR no 2341291

Issued on January 4, 2022 at Zamboanga City

SEC accreditation no. 87/417-SEC Group C

Issued on February 22, 2021 until February 21, 2025

BIR accreditation no. AN-15001997-1-2019

Issued on July 12, 2019 until July 11, 2022

BOA accreditation no.0727

Issued on November 5, 2020 until January 29, 2024

DTI no. 05900738

Issued on March 12, 2019 until March 12, 2024

CDA accreditation no. 0323

Issued on June 4, 2020 until June 3, 2023

April 30, 2022

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT

SIGNATURE NOT REQUIRED



Page 1
FROM THE OFFICIAL RECORDS OF THE SEC
Verified by: TAPUS Date Issued: 01/2022



FLORIVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Alfaro Street, Tetuan, Zamboanga City, Philippines 7000

Email Address: floridj36@yahoo.com

Contact No. (062) 991-1011 | 955-3563 | 955-8512 Direct Line No. 926-6408 | 926-6308 | 926-3874



Securities and
Exchange
Commission
PHILIPPINES

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS AND THE BOARD OF DIRECTORS
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.
Don Alfaro St., Tetuan, Zamboanga City

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

I have audited the amended financial statements of ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in shareholders' equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying amended financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

BASIS FOR OPINION

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the amended financial statements in the Philippines, and I have fulfilled my ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER MATTER

The financial statements of the Company for the year ended December 31, 2020 were amended due to the recent rectification of the Company's records pertaining to the calendar year then ended. As such, those charged with governance approved the amendment in the financial statements to properly reflect the financial position of the Company. My present opinion on the amended financial statements, as presented herein, does not differ from that expressed in my previous report dated March 15, 2021.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the amended financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of amended financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the amended financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT FROM PAGE 7 OF 7. THE SEC

SIGNATURE NOT REQUIRED. Identified by: JAMPUS Date Issued:

01 2022



FLORIVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Alvaro Street, Tetuan, Zamboanga City, Philippines 7000

Email Address: flordj36@yahoo.com

Contact No. (062) 991-1011 | 955-3563 | 955-6512 Direct line No. 926-6408 | 926-6308 | 926-3674



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the amended financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these amended financial statements.

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the amended financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the amended financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the amended financial statements, including the disclosures, and whether the amended financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT

SIGNATURE NOT REQUIRED



26-2026-82411-476-905-110-000-V

CELEBRATE TRUE COPY

FROM THE OFFICIAL RECORD OF THE

Page 0 of 6 pages

Verified by: TAMPUS Date Issued: SEP 01 2022



FLORVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Alfaro Street, Tetuan, Zamboanga City, Philippines 7000

Email Address: florvel36@yahoo.com

Contact No. (062) 991-1011 | 955-3563 | 955-8512 Direct Line No. 926-6408 | 926-3874

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION 15-2010

Securities and
Exchange
Commission
PHILIPPINES

My audit was conducted for the purpose of forming an opinion on the basic amended financial statements taken as a whole. The supplementary information on taxes, duties, and license fees in the notes to the amended financial statements is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic amended financial statements. Such information is the responsibility of the management of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** The information has been subjected to the auditing procedures applied in my audit of the basic amended financial statements. In my opinion, the information is fairly stated in all material respects, in relation to the basic amended financial statements taken as a whole.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

My audit was conducted for the purpose of forming an opinion on the basic amended financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** as a whole. The supplementary information shown in the supporting schedules is presented for the purpose of additional analysis and is not a required part of the basic amended financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic amended financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic amended financial statements taken as a whole.


FLORVEL M. DE JESUS

Board certificate no. 8747
TIN: 268-445-116
PTR no. 2341291

Issued on January 4, 2022 at Zamboanga City
SEC accreditation no. 87417-SEC Group C

Issued on February 22, 2021 until February 21, 2025

BIR accreditation no: AN-15001997-1-2019

Issued on July 12, 2019 until July 11, 2022

BOA accreditation no. 0727

Issued on November 5, 2020 until January 29, 2024
DTI no. 05900738

Issued on March 12, 2019 until March 12, 2024

CDA accreditation no. 0323

Issued on June 4, 2020 until June 3, 2023

April 30, 2022



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT FROM THE OFFICIAL RECORD PAGE SEC
SIGNATURE NOT REQUIRED

Page 1 of 1
Verified by:  Date Issued: 01/2022



FLORIVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Alfaro Street, Tetuan, Zamboanga City, Philippines 7000

Email Address: flordj36@yahoo.com

Contact No. (062) 991-1011 | 955-3563 | 955-6512 Direct Line No. 926-6408 | 926-6306 | 926-3874



CERTIFICATE OF TAXPAYER COMPLIANCE

Securities and
Exchange
Commission
PHILIPPINES

The Commissioner of Internal Revenue
Department of Finance
Manila

I have examined the amended financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** for the year ended December 31, 2020 on which I have rendered an independent auditor's report dated April 30, 2022.

In compliance with Revenue Regulation (RR) No. 3-90, I have performed the procedures necessary to determine the Company's tax obligation and verified the extent of its compliance with the requirements prescribed in said revenue regulation. My examination of the aforementioned returns and business records, which was made in accordance with pertinent Philippine Standards on Auditing, disclosed the following:

- a) The Company is a value-added tax (VAT) registered entity and thus, subject to VAT. Input taxes claimed for VAT purposes are duly covered by invoices received from VAT-registered suppliers.
- b) The Company will engage in VAT-exempt sales transactions in accordance with RR No. 16-2005. As such, medical, dental, hospital and veterinary services, except those rendered by professionals, are not subject to VAT. Additionally, laboratory services are also exempted (Sec. 4.109-1[G]).
- c) The monthly, quarterly, and annual returns of creditable income taxes withheld by the Company comply with the rules and regulations set by the National Internal Revenue Code applicable to withholding taxes.
- d) Items of income and deductions reflected in the Company's Annual Income Tax Return are substantially in accordance with existing provisions of the tax code and revenue rules and regulations.

Furthermore, in compliance with RR No. V-20, I hereby state that the kinds and amounts of taxes and licenses paid and accrued by the Company for the year ended December 31, 2020 are shown in the schedule of supplementary information as shown in the notes to the financial statements and I am not related by consanguinity or affinity within the fourth civil degree of relationship to the president, manager or principal shareholders of the Company and have no interest whatsoever in the Company directly or indirectly.

FLORIVEL M. DE JESUS

Board certificate no. 8747

TIN: 763-445-116

PTB/no 2341291

Issued on January 4, 2022 at Zamboanga City

SEC accreditation no. 87417-SEC Group C

Issued on February 22, 2021 until February 21, 2025

BIR accreditation no. AN-15001997-I-2019

Issued on July 12, 2019 until July 11, 2022

BOA accreditation no.0727

Issued on November 5, 2020 until January 29, 2024

DTI no. 05900738

Issued on March 12, 2019 until March 12, 2024

CDA accreditation no. 0323

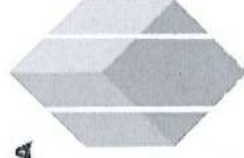
Issued on June 4, 2020 until June 3, 2023

April 30, 2022



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT FROM

SIGNATURE NOT REQUIRED



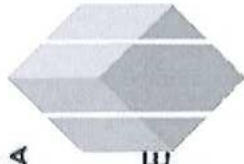
STATEMENTS OF FINANCIAL POSITION

As of December 31
(In Philippine Peso)

| | Notes | 2020 | 2019 |
|--|---------|--------------------|--------------------|
| ASSETS | | | |
| <i>Current assets</i> | | | |
| Cash | 4 | 46,931,457 | 136,144,341 |
| Other current asset | 18.4 | 31,971,903 | 8,998,505 |
| Total current assets | | 78,903,360 | 145,142,846 |
| <i>Noncurrent assets</i> | | | |
| Property and equipment, net | 5 | 35,759,650 | 34,045,009 |
| Construction in progress | 6 | 281,289,561 | 71,640,169 |
| Intangible assets, net | 7 | 107,143 | - |
| Total noncurrent assets | | 317,156,354 | 105,685,178 |
| TOTAL ASSETS | | 396,059,714 | 250,828,024 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| <i>Current liabilities</i> | | | |
| Trade and other payables | 8, 18.3 | 1,191,498 | 4,358 |
| <i>Noncurrent liabilities</i> | | | |
| Loans payable | 9 | 360,000,000 | 225,000,000 |
| Total liabilities | | 361,191,498 | 225,004,358 |
| <i>Shareholders' equity</i> | | | |
| Share capital | 10 | 51,500,000 | 36,000,000 |
| Authorized 180,000 preferred shares at Php1,000 par value; 179,400 common shares at Php1,000 par value; 600 founder shares at Php1,000 par value | | | |
| Issued and outstanding 138,250 preferred shares at par; 137,650 common shares at par; 600 founder shares at par | | | |
| Retained earnings (deficit) | 11 | (16,631,784) | (10,176,334) |
| Total shareholders' equity | | 34,868,216 | 25,823,666 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 396,059,714 | 250,828,024 |

See notes to the financial statements





STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31
(In Philippine Peso)

| | Notes | 2020 | 2019 |
|--------------------------------------|-------|--------------------|--------------------|
| Revenues | | | |
| Cost of revenues | 12 | - | - |
| Gross profit | 13 | - | - |
| Operating expenses | 14 | (5,303,267) | (3,038,973) |
| Operating loss | | (5,303,267) | (3,038,973) |
| Finance cost | 9 | (1,152,183) | (1,012,500) |
| Loss before provision for income tax | | (6,455,450) | (4,051,473) |
| Provision for income tax | 15 | - | - |
| NET LOSS | | (6,455,450) | (4,051,473) |

See notes to the financial statements





STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

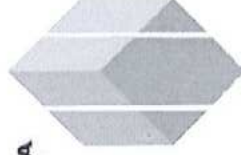
For the years ended December 31

(In Philippine Peso)

| | Notes | 2020 | 2019 |
|---|-------|---------------|---------------|
| <i>Share capital</i> | | | |
| Authorized | | | |
| Preferred shares - 180,000 shares, Php1,000 par value | | 180,000,000 | 180,000,000 |
| Common shares - 179,400 shares, Php1,000 par value | | 179,400,000 | 179,400,000 |
| Founder shares - 600 shares, Php1,000 par value | | 600,000 | 600,000 |
| Total authorized share capital | 10 | 360,000,000 | 360,000,000 |
| Subscribed | | | |
| Preferred shares at January 1 | | 135,250,000 | 135,250,000 |
| Additional subscriptions | | 3,000,000 | - |
| Preferred shares at December 31 | 10 | 138,250,000 | 135,250,000 |
| Common shares at January 1 | | 134,650,000 | 134,650,000 |
| Additional subscriptions | | 3,000,000 | - |
| Common shares at December 31 | 10 | 137,650,000 | 134,650,000 |
| Founder shares at January 1 | | 600,000 | 600,000 |
| Additional subscriptions | | - | - |
| Founder shares at December 31 | 10 | 600,000 | 600,000 |
| Subscription receivable | | | |
| Balance at January 1 | | (234,500,000) | (234,500,000) |
| Additions during the year | | (6,000,000) | - |
| Collections during the year | | 15,500,000 | - |
| Balance at December 31 | 10 | (225,000,000) | (234,500,000) |
| Total paid-up share capital | 10 | 51,500,000 | 36,000,000 |
| <i>Retained earnings (deficit)</i> | | | |
| Unappropriated | | | |
| Balance at January 1 | | (10,176,334) | (6,124,861) |
| Net loss | | (6,455,450) | (4,051,473) |
| Balance at December 31 | 11 | (16,631,784) | (10,176,334) |
| TOTAL SHAREHOLDERS' EQUITY | | 34,868,216 | 25,823,666 |

See notes to the financial statements





STATEMENTS OF CASH FLOWS

For the years ended December 31
(In Philippine Peso)

| | Notes | 2020 | 2019 |
|---|---------|-------------------|--------------------|
| <i>Cash flows from operating activities:</i> | | | |
| Loss before provision for income tax | | (6,455,450) | (4,051,473) |
| Adjustments to reconcile loss before provision for income tax to operating loss before working capital changes: | | | |
| Finance cost | 9 | 1,152,183 | 1,012,500 |
| Depreciation | 5 | 225,930 | 150,691 |
| Rent | 17 | 336,960 | - |
| Operating loss before working capital changes | | (4,740,377) | (2,888,282) |
| Working capital changes: | | | |
| Decrease (increase) in: | | | |
| Other current asset | 18.4 | (22,973,398) | (4,609,217) |
| Increase (decrease) in: | | | |
| Trade and other payables | 8, 18.3 | 1,187,140 | (42) |
| Lease payment for short-term lease | 17 | (336,960) | - |
| Net cash used in operating activities | | (26,863,595) | (7,497,541) |
| <i>Cash flows from investing activities:</i> | | | |
| Acquisitions of property and equipment | 5 | (1,940,571) | (15,974,822) |
| Additions to construction in progress | 6 | (209,649,392) | (37,169,365) |
| Acquisitions of intangible asset | 7 | (107,143) | - |
| Net cash used in investing activities | | (211,697,106) | (53,144,187) |
| <i>Cash flows from financing activities:</i> | | | |
| Collection of subscription receivable | 10 | 15,500,000 | - |
| Proceeds from loans | 9 | 135,000,000 | 135,000,000 |
| Finance cost paid | 9 | (1,152,183) | (1,012,500) |
| Payment of loans from related parties | 15 | - | (3,163,932) |
| Net cash provided by financing activities | | 149,347,817 | 130,823,568 |
| Net increase (decrease) in cash | | (89,212,884) | 70,181,840 |
| Cash at January 1 | | 136,144,341 | 65,962,501 |
| CASH AT DECEMBER 31 | 4 | 46,931,457 | 136,144,341 |

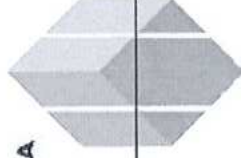
See notes to the financial statements



**ALLIED
CARE
EXPERTS**

MEDICAL CENTER- ZAMBOANGA

Member of ACE Group of Hospitals



**Securities and
Exchange
Commission**
PHILIPPINES

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020

(All amounts are shown in Philippine Peso, unless otherwise stated)

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC. is a domestic stock corporation registered with the Philippines' Securities and Exchange Commission (SEC) on December 18, 2015 with the SEC Registration No. of CS201540355. The Company is governed by a Board of Directors (BOD) consisting of fifteen (15) individuals.

The Company is a value-added tax (VAT) registered entity with the Bureau of Internal Revenue (BIR). However, it is not listed as a public entity with the Philippine Stock Exchange (PSE).

The primary purpose of the Company is to establish maintain, operate, own, and manage hospitals, medical and related healthcare facilities and business such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo-hospitals, scientific research, and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical, or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The principal office of the Company is located at Don Alfaro St., Tetuan, Zamboanga City, Philippines. In 2020, the Company has fifteen (15) key management personnel and seven (7) employees.

The amended financial statements of the Company as of and for the years ended December 31, 2020 and 2019 were authorized for issuance by the BOD on April 30, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these amended financial statements are summarized below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of Presentation

The amended financial statements have been prepared by **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** in accordance with PAS 1 (Revised 2007), *Presentation of Financial Statements*, under the historical cost convention basis and are presented in Philippine Peso (Php), which is also the Company's functional currency. The Company uses the calendar year accounting period and adopts the accrual basis of accounting. The end of the Company's reporting period is on December 31. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The preparation of financial statements in conformity with the Philippine Financial Reporting Standards (PFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT
SIGNATURE NOT REQUIRED

CERTIFIED TRUE COPY

1

FROM THE OFFICE OF THE SECRETARY, THE SEC

Verified by: **TARJUS** Date Issued: **01 2022**

The amended financial statements have been prepared in conformity with PFRS, which include all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA), and adopted by SEC. These are based on the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

PHILIPPINES

The principal accounting and financial reporting policies adopted in preparing the Company's amended financial statements are as follows:

Adoption of New Interpretations, Revisions, and Amendments to the PFRS

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which were not adopted as of December 31, 2019. Except as otherwise indicated, the adoption of these new accounting standards and amendments have no material impact on the Company's amended financial statements.

The nature and the impact of each new standard and amendment are described below:

- **Amendments to PFRS 3, *Business Combinations***

The IASB issued amendments to the definition of a business in PFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. These amendments are not expected to have any impact to the Company.

- **Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates***

In October 2018, the IASB issued amendments to PAS 1 Presentation of Financial Statements and PAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements, or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

Although the amendments to the definition of material is not expected to have a significant impact on the Company's amended financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organized in the amended financial statements.



- Amendments to PFRS 16, *Leases*

On 28 May 2020, the IASB published 'Covid-19-Related Rent Concessions (Amendment to IFRS 16)' amending the standard to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The Company has applied the new amendment without restatement, with the cumulative effect of initial application, if any, recognized as an adjustment to the opening balance of retained earnings at January 1, 2020.

Standards/amendments issued but not yet effective

Standards and amendments issued but not yet effective up to the date of issuance of the Company's amended financial statements are listed below. This listing of standards and amendments issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Unless otherwise stated, the Company intends to adopt these standards and amendments when they become effective.

Effective January 1, 2021

- PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The standard provides the criteria to determine when a non-insurance component is distinct from the host insurance contract.

PFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. Adoption of the standard when it becomes effective will not have any impact on the financial statements of the Company.

Effective January 1, 2022

- Amendments to PFRS 3, *Business Combinations*

On 14 May 2020, the IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Adoption of the amendment when it becomes effective will not have any impact on the financial statements of the Company.

- Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

On 14 May 2020, the IASB issued 'Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. Adoption of the amendment when it becomes effective will not have any impact on the financial statements of the Company.

Effective January 1, 2023

- Amendments to PFRS 17, *Insurance Contracts*

On 25 June 2020, the IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. Adoption of the amendment when it becomes effective will not have any impact on the financial statements of the Company.

- Amendments to PAS 1, *Presentation of Financial Statements*

On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The Company is currently assessing the impact of this amendment and plans to adopt the new amendment on the required effective date.



Significant Accounting Policies

Revenue recognition

Revenue is income arising in the course of the Company's ordinary activities comprising of increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as principal in all of its revenue arrangements. The following specific recognition criteria shall be met before revenue is recognized:

The Company's revenues mainly come from hospital services and room fees, pharmacy sales, laboratory fees and vaccine sales. It also incidentally earns other income in the form of rent generated from leasing clinic space to various doctors and interest earned from bank deposits. As such, the revenues can be categorically grouped into sales of goods (pharmacy sales), rendering of services (hospital services and room fees, laboratory fees and vaccine sales), rent income, and interest income.

Sales of goods

Revenue arising from the sale of goods should be recognized when all of the following criteria have been satisfied: (a) the seller has transferred to the buyer the significant risks and rewards of ownership, (b) the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, (c) the amount of revenue can be measured reliably, (d) it is probable that the economic benefits associated with the transaction will flow to the seller, and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

For revenue arising from the rendering of services, the following criteria should be met: (a) the amount of revenue can be measured reliably, (b) it is probable that the economic benefits associated with the transaction will flow to the Company, (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably, and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

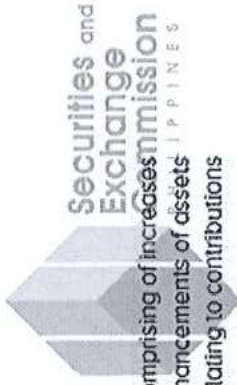
In this manner, the Company's revenues are recognized at the time of sale, which is defined as the moment when the services are rendered to the patient.

Cost of revenues

Cost of revenues is composed of the costs directly related to the sale of the goods and services of the Company. It includes the cost of the goods sold and the freight to obtain the goods, direct labor, and direct overhead. The cost of revenues is presented in the statement of comprehensive income as deduction to its related revenue account and recognized when the goods are sold and the services are rendered to the patients.

Operating expenses

Operating expenses are the general and administrative expenses of the Company, normally incurred in the daily operations and in administering the business such as outside services.



transportation and travel, salaries and wages, meetings and forums, and others that are recognized when incurred during the year.

Cash

Cash consists of cash on hand and cash in bank. Bank overdrafts, if any, are shown within borrowings as current liabilities in the statement of financial position.

As of December 31, 2020 and 2019, the Company has no cash equivalents and bank overdrafts.

Contract assets

A contract asset is the Company's right to consideration in exchange for the goods and/or services transferred to a customer. Contract asset is recognized when the Company already transferred its promised goods and/or services to the customer before the customer pays consideration or before payment is due, with payment subject to condition other than passage of time.

The Company assesses at each statement of financial position date whether there is objective evidence that the contract asset is impaired. A contract asset is deemed to be impaired as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the contract asset that can be reliably estimated.

The Company applies the simplified approach for impairment, in accordance with PFRS 9, *Financial Instruments*. The Company measures the loss allowance of the contract asset at an amount equal to lifetime expected credit loss.

As of December 31, 2020 and 2019, the Company has no contract assets recorded due to non-operation.

Financial instruments

Financial instruments are any contracts which give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the financial asset.

Initial recognition

The Company shall recognize a financial asset or a financial liability in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

Initial measurement of financial instruments

The Company shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Classification and subsequent measurement of financial instruments

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Company shall classify financial assets as subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or



loss on the basis of both: the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (fair value through profit or loss) or recognized in other comprehensive income (fair value through other comprehensive income). Management determines the classification of its instruments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every statement of financial position.

Financial assets that are held for collection of contractual cash flows, where those contractual cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method.

Financial assets that are held for both collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

Financial assets that do not meet the criteria for amortized cost and fair value through other comprehensive income are measured at fair value through profit or loss.

As of December 31, 2020 and 2019, the Company does not hold any financial assets measured at fair value through profit or loss and fair value through other comprehensive income.

Additionally, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows represent solely payments of principal and interest.

As of December 31, 2020 and 2019, the Company does not hold any financial assets with embedded derivatives.

Financial liabilities have two measurement categories: fair value through profit or loss and amortized cost. Financial liabilities held for trading are measured at fair value through profit or loss and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

All equity investments are to be measured at fair value in the statement of financial position, with value changes recognized in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income.' There is no 'cost exception' for unquoted equities.

Determination of fair value

The fair value for financial instruments traded in active markets at statement of financial position date is measured based on a fair value hierarchy. For level 1, the fair value is the quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date. If level 1 is not available, level 2 is used, that is, the inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. If level 1 and level 2 are not available, level 3 is used for estimating the fair value, that is, the unobservable inputs for the asset or liability.

For all other financial instruments not listed in an active market, if any, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. The fair value of equity instruments is reliably measurable if the variability in the range of various estimates is not significant, or if the probabilities of the various estimates can be reasonably assessed. If these conditions are not met, the Company is precluded from measuring the instrument at fair value, and the instrument is carried at cost (less impairment) defined as carrying amount at the last day when the instrument was reliably measurable.

Reclassification of financial instruments

For financial assets, reclassification is required between fair value through profit or loss, fair value through other comprehensive income, and amortized cost, if and only if, the Company's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Company does not restate any previously recognized gains, losses, or interest. The Company is not allowed to reclassify any financial liability or for equity investments measured at fair value through other comprehensive income. The Company reclassifies debt investments when, and only when, its business model for managing those assets changes.

For the years ended December 31, 2020 and 2019, the Company has not reclassified any financial assets.

Impairment of financial assets

There is no special accounting for impairment loss on financial assets measured at fair value. This is because all subsequent changes in fair value on these financial assets are recognized as unrealized gains or losses in profit or loss or in other comprehensive income. Only financial assets subsequently measured at amortized cost have a special accounting for impairment.

The Company assesses the forward-looking information on macroeconomic factors that affects the credit risk of the financial assets as the basis of its expected credit loss. The Company recognizes an allowance for probable losses for such expected losses at each reporting date. The allowance for probable losses is recognized for all debt instruments not held at fair value through profit or loss.

The allowance for probable losses is an estimate of the debt that the counterparty debtor is unlikely to recover. It is a contra-asset account and any increase or decrease to the allowance for probable losses is also recorded in the statement of comprehensive income as provision for probable losses.

PFRS 9, *Financial Instruments*, requires the impairment model for other financial assets using the simplified approach as follows:

Simplified approach for accounts receivable and contract assets

To measure the expected credit losses, accounts receivable and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the accounts receivable for the same types of contracts. The Company has therefore concluded that the expected credit loss rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of revenue over a period of twenty-four (24) months before December 31, 2020 and 2019, respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Philippine Gross Domestic Product (GDP) and inflation rate to be the most relevant macroeconomic factors and adjusts the historical loss rates based on expected changes in these factors.

A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless it is part of a hedging relationship, an investment in an equity instrument and the Company has elected to present gains and losses on that investment in other comprehensive income, a financial liability designated as at fair value through profit or loss and the Company is required to present the effects of changes in the liability's credit risk in other



comprehensive income, or a financial asset measured at fair value through other comprehensive income.

Derecognition of financial assets

The Company derecognizes its financial asset when the contractual rights to receive cash flows from the financial asset have expired or when it transfers the financial asset either through transferring the rights to receive cash flows or assuming the contractual obligation to pay cash flows to other recipients in full without material delay to a third party under a "pass-through" arrangement.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset or transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company would be required to repay.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Transfers of financial assets

The Company transfers all or a part of a financial asset (the transferred financial asset) if, and only if, it either transfers the contractual rights to receive the cash flows of that financial asset or it retains the contractual rights to receive the cash flows of that financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

The Company has continuing involvement in a transferred financial asset if, as part of the transfer, the Company retains any of the contractual rights or obligations inherent in the transferred financial asset or obtains any new contractual rights or obligations relating to the transferred financial asset.

For the years ended December 31, 2020 and 2019, the Company did not transfer any of its financial assets. Thus, there were no gains or losses recognized for the years then ended.

Offsetting of financial instruments

Financial assets and financial liabilities can be offset with the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Hedge accounting

All derivatives, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognized in profit or loss unless the Company has elected to apply hedge accounting by designating the derivative as a hedging instrument in an eligible hedging relationship. If certain eligibility and qualification criteria are met, hedge accounting allows the Company to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with gains or losses on the risk exposures (i.e. credit risk, liquidity risk, and market risk) they hedge.

In order to qualify for hedge accounting, the hedge relationship must meet the following effectiveness criteria at the beginning of each hedged period: (a) there is an economic relationship between the hedged item and the hedging instrument, (b) the effect of credit risk does not dominate the value changes that result from that economic relationship, and (c) the hedge ratio of the hedging relationship is the same as that actually used in the economic hedge. If the Company elected to apply hedge accounting by designating the derivative as a hedging instrument, it would apply the accounting for qualifying hedging relationships such as fair value hedge, cash flow or hedge of a net investment in a foreign operation.

As of December 31, 2020 and 2019, the Company has no derivatives designated as hedging instruments. Thus, the Company did not apply hedge accounting for the years then ended.

Other current assets

Current assets represent assets that can reasonably be expected to be realized for no more than twelve (12) months after the reporting date. Otherwise, they are classified as noncurrent assets.

Input VAT carry-over

Input VAT carry over occurs when input VAT exceeds output VAT. The excess shall be carried over to the next calendar year.

Property and equipment

Property and equipment are tangible assets that:

- a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- b) are expected to be used during more than one period.

The Company shall initially measure an item of property and equipment at its cost. This is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

The initial cost of property and equipment consists of its purchase price net of trade discounts and rebates, including import duties and non-refundable purchase taxes plus any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use plus any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent measurement

After initial recognition, the Company shall measure all items of property and equipment, except land, at cost less accumulated depreciation and any impairment losses. Land and non-depreciable land improvements are shown at cost less any impairment in value.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The following are the Company's property and equipment with their estimated useful life:

| | |
|-------------------------------|----------|
| Container van | 10 years |
| Office equipment | 5 years |
| Furniture and fixtures | 10 years |
| Medical equipment and fixture | 10 years |

Land is a non-depreciable asset.



Provision for depreciation is established a year following the asset's acquisition. The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date. This is to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Presently, the Company has a building under construction. The construction is estimated to be completed in 2022. Depreciation on the said asset shall commence once the asset is available for use. This asset is classified as Construction in Progress under noncurrent assets in the statement of financial position.

Construction in progress is a long-term asset account in which the costs of constructing long-term assets are recorded. The account is reported in the statement of financial position.

The costs of a constructed asset are accumulated until the asset is placed into service. When the asset is completed and placed into service, the account construction in progress will be credited for the accumulated costs of the asset and will be debited to the appropriate property and equipment account. Depreciation begins after the asset has been placed into service.

Derecognition

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are eliminate from the accounts and any resulting gain or loss from the disposal is credited or charged to current operations.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

When property and equipment are retired, or otherwise disposed of, the cost and the accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

As of December 31, 2020 and 2019, the Company has no contractual commitments to acquire property, plant and equipment and has not received compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in the statement of comprehensive income.

For the years ended December 31, 2020 and 2019, the Company has no acquisitions of property, plant and equipment through business combination, and there are no temporarily idle property, plant and equipment identified. Additionally, there are no items in property, plant and equipment account whose fair value is materially different from its carrying amount.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The critical attributes of an intangible asset are: (a) identifiability, (b) control and (c) future economic benefits.

An intangible asset is identifiable when it is capable of being separated and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company or from other rights and obligations. The definition of an intangible asset requires an intangible asset to be identifiable to distinguish it from goodwill.



Recognition

An intangible asset is recognized if, and only if it is probable that the future economic benefits that utilities and are attributable to the asset will flow to the Company, the cost of the asset can be measured reliably, and the asset does not result from expenditure incurred internally on an intangible item.

Commission
PHILIPPINES

Initial measurement

Intangible assets are initially measured at cost. This is the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

Expenditure on an intangible item that was initially recognized as an expense shall not be recognized at a later date as part of the cost of an asset.

Subsequent measurement

The Company's intangible asset pertains to its hospital software. After initial recognition, the Company shall measure intangible assets using the cost model to subsequently measure its intangible assets, which is cost less any accumulated amortization and accumulated impairment losses, if any. The useful life is 10 years, subject to renewal. Amortization of intangible assets is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method.

Amortization begins when the intangible asset is available for use. The amortization charge for each period shall be recognized as an expense in the statement of comprehensive income. Amortization ceases when the asset is derecognized.

Marketing and advertising costs, as well as the royalties paid, are charged to the statement of comprehensive income as incurred.

Retirements and disposals

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The cost and the related accumulated amortization and impairment losses, if any, are removed from the accounts, and the resulting gain or loss arising from the retirement or disposal is recognized in the profit or loss.

As of December 31, 2020 and 2019, the Company has no intangible asset to which the Company has restricted title or that is pledged as security for liabilities or used as collateral. The Company also has not entered into any relevant contractual commitments pending as of year-end.

Impairment of assets

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. At each end of the reporting period, the Company assesses whether there is any indication that its intangible assets may be impaired. When an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

For the years ended December 31, 2020 and 2019, there were no impairment losses and reversals of impairment losses of assets recognized.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. These payables arise from past transactions and events, the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

Trade and other payables are recognized initially at transaction price including transaction costs. Due to the short-term maturity of the accounts and an absence of a significant financing component, the payables are classified as current liabilities and subsequently measured at the undiscounted amount of the cash expected to be paid.

Contract liabilities

A contract liability is the Company's obligation to transfer goods and/or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

If a customer pays consideration, or has a right to an amount of consideration that is unconditional (i.e. a receivable), before Company transfers the promised good to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due, whichever is earlier.

As of December 31, 2020 and 2019, the Company has no recorded contract liability.

Income taxes

Income taxes include all domestic and foreign taxes that are based on taxable profit. Income tax also includes taxes such as withholding taxes, that are payable by a subsidiary, associate, or joint venture on distributions to the reporting entity.

Current income tax

The amount of income tax payable (recoverable) in respect of the taxable profit (loss) for a period is the current tax expense. This is also the amount of tax required to be paid to the BIR. Any unpaid current tax for the current and prior periods is recognized as a liability as 'income tax payable' in the statement of financial position under current liabilities, if the amount paid for the current and prior periods exceeds the amount payable for those periods, the excess is recognized as a current tax asset presented in a separate line item in the statement of financial position. When a tax loss is used to recover current tax of a previous period, the Company recognizes the benefit as an asset in which the tax loss occurs because it is probable that the benefit will flow to the Company and the benefit can be reliably measured.

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred income tax

Deferred tax is provided, using the asset-liability method or also called as the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are the amounts of income tax payable in the future periods in respect of deductible temporary differences, the carry-forward of unused tax losses and the carry-forward of

unused tax credits. On the other hand, deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable temporary differences. Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. It may either be taxable temporary differences or deductible temporary differences.

Exchange
Commission

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. When different tax rates apply to different levels of taxable income, deferred tax assets and deferred tax liabilities are measured using the average rates that are expected to apply to the taxable profit (loss) of the periods in which the temporary differences are expected to reverse.

The measurement of the deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

Deferred tax expense (benefit) represents the net changes in the deferred tax liabilities and deferred tax assets during the period. If the increase in deferred tax liabilities exceeds the increase in deferred tax assets, the difference is referred to as deferred tax expense. Otherwise, the difference will be referred to as deferred tax benefit.

Offsetting of current and deferred income tax

Current tax assets and current tax liabilities can only be offset in the statement of financial position if the Company has the legal right and the intention to settle on a net basis.

On the other hand, deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the Company has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time.

Employee benefits

Employee benefits are all forms of consideration given by the entity to its employees in exchange for services rendered or for the termination of employment. It is categorized as short-term employee benefits, termination benefits, post-employment benefits and other long-term benefits.

Short-term benefits

Short-term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the current employees render the related services (such as wages, salaries, SSS contributions, paid annual and sick leave, and bonuses). The entity shall recognize the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service either as an expense or a liability, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognize that excess as an asset.



The law mandates certain contributions that should be provided by an employer to his employees, namely contributions to: (1) the Social Security System, (2) PhilHealth and (3) Pag-IBIG Fund.

The Social Security System (SSS) provides the following benefits to employees, in addition to its Loan Programs: Sickness, Maternity, Disability, Death/Funeral and Retirement benefits. So long as an employer has employees who are below sixty (60) years old, the employer is mandated to remit to the SSS, as employer's contribution, approximately 60% of the total monthly SSS contribution for each employee.

Once an employer/employee is a member of the SSS, he is also a member of the PhilHealth program. The contribution to the PhilHealth is shared by the employer and employee equally.

Finally, all SSS members who are earning at least five thousand pesos (Php5,000) are also required to become a member of the Pag-IBIG Fund, which is basically a savings and loan association. Just like the PhilHealth program, the employers and employees share the monthly contribution equally with a minimum of one hundred pesos (Php100) each per month.

Salaries and wages given to employees are based on the minimum wage and are reviewed periodically to determine its adequacy and to determine possible increase. In addition, the Labor Code of the Philippines provides for the payment of a 13th month of salary or a proportionate amount, in case employees render service for a fraction of a year during the current period.

The Philippine Labor Code also mandates the granting of vacation leave and sick leave, which are known as compensated absences. They are called compensated absences because employees receive compensation for their absences during the period covered by their leave.

Female employees are also entitled maternity leave for a period provided in the Labor Code. Male employees, on the other hand, are granted paternity leave when their spouses give birth.

Liabilities and payments with regards to short-term employee benefits are recognized as expenses when the employees have rendered service entitling them to such benefits.

Termination benefits

Since termination benefits do not provide an entity with future economic benefits, a company shall recognize them as an expense in profit or loss immediately.

The Company shall recognize termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date; or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Company shall measure termination benefits at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

When the termination benefits are due more than twelve months after the end of the reporting period, they shall be measured at their discounted present value.

Presently, the Company has not yet recognized any termination benefits because there were no authorized causes for termination such as installation of labor-saving devices, redundancy, retrenchment, closure or cessation of business, or incurable disease.



Post-employment benefits

Post-employment benefits are employee benefits other than termination benefits and short-term employee benefits that are payable after the completion of employment. Post-employment benefits are formal or informal arrangements under which the Company provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

For defined contribution plans, the Company shall recognize the contribution payable for a period as a liability, after deducting any amount already paid. If contribution payments exceed the contribution due for service before the reporting date, the Company shall recognize that excess as an asset or as an expense.

For defined benefit plans, the Company shall recognize a liability for its obligations under defined benefit plans net of plan assets—its 'defined benefit liability' and recognizes the net change in that liability during the period as the cost of its defined benefit plans during the period.

Under Section 28 of PFRS, "Employee Benefits," the cost of defined retirement benefits, including those mandated under Presidential Decree No. 442, "Labor Code of the Philippines," as amended, and RA No. 7641, "Retirement Pay Law," should be determined using the accrued benefit valuation method or the projected benefit method. The law further stipulates that in the absence of a formal retirement plan or agreement providing for retirement benefits of employees in the Company, employees upon reaching the age of sixty (60) years or more, but not beyond sixty five (65) years which is declared to be the compulsory retirement age, who has served at least five (5) years in the Company, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. Unless the parties provide for broader inclusions, the term one-half (1/2) month salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves. The law likewise provides that retail, service and agricultural establishments or operations employing not more than ten (10) employees or workers are exempted from the coverage of the said law.

As of reporting date, the Corporation has not yet recognized any post-employment benefits obligation as no employees have yet to meet the minimum requirements set by the law due to a fast turnover of employees.

Borrowings and borrowing costs

Borrowings are recognized initially at fair value which is its transaction price equivalent to the present value of the payable including transaction costs. Borrowings are subsequently stated at amortized cost.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Other borrowing costs are recognized as expense in the period in which they are incurred.

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. That could be property, plant, and equipment during the construction period, intangible assets during the development period, or "made-to-order" inventories.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of the borrowing costs applicable to the general pool.

Capitalization would commence when expenditures are being incurred, borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress (this may include some activities prior to commencement of physical production). Capitalization would be suspended during periods in which active development is interrupted. Capitalization would cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities necessary to prepare that part for its intended use or sale are complete.

Share capital

Share capital is the amount fixed in the Articles of Incorporation to be subscribed and paid in or secured to be paid in by the shareholders of the corporation, either in money or property or services, at the organization of the corporation, or afterwards and upon which the corporation is to conduct its operations.

Share capital is measured at par value for all shares issued. When the Company issues more than one class of share capital, a separate account is maintained for each class of share capital and the number of shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "additional paid-in capital" account. Incremental costs incurred directly attributable to the issuance of new shares are shown in the equity as deduction from proceeds, net of tax.

A preferred stock is a class of ownership that has a higher claim on its assets and earnings than common stock. Preferred shares have a dividend that must be paid out before dividends to common shareholders. These shares usually do not carry voting rights.

Ordinary shares or common shares shall be entitled to receive dividends as may be declared after the requirements with respect to preferential dividends on preferred shares have been met. After distribution in full of the preferential amounts to be distributed to the holders of preferred shares in event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Company, the holders of commons shares shall be entitled to receive all remaining assets of the Company for whatever kind available for distribution to shareholders ratably proportion to the number of common shares held by them respectively. Except as may be otherwise required by law or by Articles of Incorporation, each holder of common shares shall have one vote in respect of each share held.

Founder's shares are shares exclusively issued to the originators of the Company. The holders of these shares have the exclusive right to vote and be voted upon in the election of directors for a limited period not to exceed five (5) years from the date of incorporation.

Subscribed share capital

Subscribed share capital is part of the authorized share capital which has been sold, whether paid or not by shareholders and is measured at par value.

Subscription receivable

Subscription receivable is the portion of issued share capital that remained unpaid as of reporting date. This is presented as part of the current assets if maturity is within twelve (12) months from the financial reporting period. Otherwise, it is presented as a deduction from equity.

Retained earnings

Retained earnings represents the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments, if any. When retained earnings account has a debit balance, it is called "deficit" **Securities and Exchange Commission** PHILIPPINES deficit is not an asset but a deduction from equity.

Appropriated retained earnings

These pertain to the restricted portion of the Company's accumulated profits that are appropriated for Company and capital expenditures.

Unappropriated retained earnings

These pertain to the unrestricted portion of the Company's accumulated profits that are available to meet current operational needs.

Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

Lease

Company as the Lessee

The Company elected to account its short-term lease using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Related party transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals are also considered related parties.

Transactions between related parties recorded in the books of the Company as "Due to/from Related Parties." In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.



Provisions and contingencies

Provisions are liabilities of uncertain timing or amount. The Company recognizes provisions if and only if: (a) a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), (b) payment is probable and (c) the amount can be estimated reliably.

An obligating event is an event that creates a legal or constructive obligation and, therefore, results in the Company having no realistic alternative but to settle the obligation. A constructive obligation arises if past practice creates a valid expectation on the part of a third party.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that the Company would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party. In reaching its best estimate, the Company should take into account the risks and uncertainties that surround the underlying events. If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognized as a separate asset, and not as a reduction of the required provision, when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

Contingent liabilities are possible obligations depending on whether some uncertain future event occurs or present obligations but payment is not probable or the amount cannot be measured reliably. A possible obligation (a contingent liability) is disclosed but not accrued. However, disclosure is not required if payment is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets should not be recognized but should be disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

As of December 31, 2020 and 2019, the Company has no provisions or contingencies.

Events after the end of the reporting period

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Post year-end events that provide additional information about the position of the Company at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

There were no events after the end of the reporting period that were material enough to require adjustments to the amounts shown on the face of the amended financial statements nor of the accompanying notes.

Management's Use of Judgements and Estimates

The preparation of the amended financial statements in conformity with Philippine Financial Reporting Standards requires management to make estimates and assumptions that affect certain reported amounts and disclosures. In preparing the financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.



The following are the key assumptions that have significant risk of material adjustment to the carrying amounts of assets and liabilities within the financial year.

Estimating the useful life of property and equipment

The useful life of each of the Company's items of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar businesses, internal technical evaluation, and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease the carrying value of property and equipment.

Evaluating impairment of property and equipment and intangible assets

Property and equipment and intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The factors that the business considers important which could trigger an impairment review include a significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for overall business, and significant negative industry or economic trends.

If there is an indication of possible impairment, the recoverable amount of any affected property and equipment or intangible asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amounts of the property and equipment and intangible assets are increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the property and equipment and intangible assets in prior years. A reversal of impairment loss is recognized immediately in the statement of comprehensive income.

For the years ended December 31, 2020 and 2019, there were no impairment losses and reversals of impairment losses of property and equipment and intangible assets recognized.

Judgments

In the process of applying the Company's accounting policies, management exercised sound judgment including those involving estimates that have a significant effect on the amounts recognized in the amended financial statements.

3. TRANSITION FROM PFRS FOR SMES TO FULL PFRS

The Company transitioned from using Philippine Financial Reporting Standards (PFRS) for Small and Medium-Sized Entities to full PFRS for the year 2020. The transition is a mandatory requirement since the Company already exceeded the asset and/or liability threshold to qualify for full PFRS adoption. As of December 31, 2020, the total assets of the Company amounted to Php396,059,714 which already exceeds the Php350,000,000 asset threshold.

For the Company's first-time adoption to full PFRS, differences on the presentation and disclosure requirements between PFRS for Small and Medium-Sized Entities and full PFRS are highlighted. Differences shall constitute changes in the policies of the Company with regard to financial reporting.



Enumerated below are the relevant sections in the PFRS for SMEs relative to the Company's accounting policies. Said sections are compared with related clauses from full PFRS which differ in presentation and disclosure requirements.

The effect of the Company's presentation of financial statements and adjustments which are required by the standard are detailed in the following table.

| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|--|--|---|---|
| Section 4- Statement of Financial Position | An entity is not required to present a statement of financial position as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies in its financial statements. | An entity is required to present a statement of financial position as at the beginning of the earliest comparative period when: - It applies an accounting policy retrospectively; or - It makes a retrospective restatement of items in its financial statements; or - When it reclassifies items in its financial statements. | Not applicable because the Company did not apply a new accounting policy retrospectively and there is no restatement or reclassification of items in the financial statements. Hence, there is no adjustment necessary. |
| Section 5 – Statement of Comprehensive Income and Income Statement | Section 5 provides SMEs with the choice of presenting expenses in the statement of comprehensive income analyzed by nature or by function. The requirement in Full PFRS that an entity using the function approach must also disclose depreciation, amortization and employee benefit expense has been eliminated, because disclosures of this information is already required by other | PAS 1, <i>Presentation of Financial Statements</i> , states that an entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortization expense and employee benefits expense | The Company has since disclosed depreciation expense. Amortization expense is not recognized by the Company as of January 1, 2020. Hence, there are no adjustments necessary. |



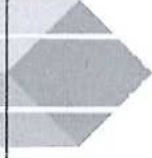
| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|--|---|--|---|
| Section 5 – Statement of Comprehensive Income and Income Statement | <p>sections of the PFRS for SMEs.</p> <p>Entities have the option to present either:</p> <ul style="list-style-type: none"> - A single statement of comprehensive income; or - Two separate statements: an income statement displaying components of other comprehensive income (OCI). <p>If an entity has no items of OCI, the statement of comprehensive income need not have a subtotal for "profit for the period". Instead, the bottom line could be labeled "profit and comprehensive income for the period".</p> | <p>According to PAS 1, an entity shall present all items of income and expense recognized in a period:</p> <ul style="list-style-type: none"> - In a single statement of comprehensive income; or - In two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income). | <p>The Company has been presenting comprehensive income in a single statement of comprehensive income as allowed by PAS 1. Hence, there are no adjustments necessary.</p> |
| Section 6 – Statement of Changes in Equity and Statement of Income and Retained Earnings | <p>The statement of income and retained earnings presents an entity's profit or loss and changes in retained earnings for a reporting period. SMEs are permitted to present a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity if the only changes to its equity during the periods for which financial statements are presented arise from:</p> <ul style="list-style-type: none"> - Profit or loss - Payment of dividends | <p>PAS 1 does not allow a similar presentation alternative.</p> | <p>The Company did not use the presentation alternative allowed in Section 6. Hence, there are no adjustments necessary.</p> |

CERTIFIED TRUE COPY 25
 Page 5 of 159 pages
 Verified by: THERESA S. DATE ISSUED: 12/2024

| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|---|--|---|--|
| Section 10 – Accounting Policies, Estimates, and Errors | <ul style="list-style-type: none"> - Corrections of prior period errors; and - Changes in accounting policy <p>SMEs that select this option, shall present, in the statement of income and retained earnings, the following items in addition to the information required by Section 5, <i>Statement of Comprehensive Income and Income Statement</i>:</p> <ul style="list-style-type: none"> - Retained earnings at the beginning of the reporting period - Dividends declared and paid or payable during the period - Restatements of retained earnings for corrections of prior period errors - Restatements of retained earnings for changes in accounting policy - Retained earnings at the end of the reporting period. | | |
| Section 10 – Accounting Policies, Estimates, and Errors | <p>In cases where PFRS for SMEs does not specifically address a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is (i) relevant to the economic decision-making needs of user and (ii) reliable.</p> <p>In making the judgment management shall refer to, and consider the applicability of, the following sources in descending order (GAAP hierarchy):</p> | <p>PAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> states that in the absence of an PFRS that specifically applies to a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is (i) relevant to the economic decision-making needs of users and (ii) reliable.</p> | <p>The Company has noted the additional option allowed in full PFRS.</p> |

CERTIFIED TRUE COPY 26
Page 36 of 46 Pages
SEP 03 2022
VERIFIED OFFICIAL RECORD OF THE SEC
Date Issued:

| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|--|---|---|---|
| | <p>- The requirements and guidance in PFRS for SMEs standard dealing with similar and related issues; and</p> <p>- The definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses and the pervasive principles in Section 2, <i>Concepts and Pervasive Principles</i>.</p> <p>Management may, but is not required to, consider the requirements and guidance in Full PFRS. The hierarchy of PFRS for SMEs does not include reference to recent pronouncements of other standard-setting bodies, other accounting literature or accepted industry practice.</p> | <p>In making the judgment management shall refer to, and consider the applicability of, the following sources in descending order:</p> <ul style="list-style-type: none"> - The requirements in PFRS dealing with similar and related issues; and - The definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework. <p>In making the judgment described above management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources specified above.</p> | |
| Section 11 – Basic Financial Instruments | An entity shall recognize impairment of financial assets using an “incurred loss model.” | PFRS 9, <i>Financial Instruments</i> introduced a new expected loss impairment model | The Company’s recorded financial asset as of January 1, 2020 only pertain to cash. Hence, there are no adjustments necessary. |
| Section 13 - Inventories | An entity shall measure inventories at the lower of cost and selling price less costs to complete and sell. | According to PAS 2, <i>Inventories</i> , inventories shall be measured at the | The Company has no recorded inventories. Hence, no adjustment is necessary. |



CERTIFIED TRUE COPY 1
 Page 37 of 50
 Date Issued: 15 SEP 2022

| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|--|---|---|---|
| Section 17 – Property, Plant and Equipment | The revaluation is not allowed. | lower of cost and net realizable value PAS 16. <i>Property, Plant and Equipment</i> allows entities to choose between the cost model and the revaluation model | The Company did not use the revaluation model for property, plant, and equipment. Hence, no adjustment is necessary. |
| Section 20 – Leases | Lease payments are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. | At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability. | The Company elected to account its short-term lease using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Hence, no adjustment was necessary. |
| Section 23 – Revenue | An entity shall measure recognize revenue from the sale of goods when all the following conditions are satisfied: - The entity has transferred to the buyer the significant risks and rewards of ownership of the goods; - The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; - The amount of revenue can be measured reliably; - It is probable that the economic benefits associated | PFRS 15, <i>Revenue from Contracts with Customers</i> provides that revenue from contracts with customers shall be recognized based on the transfer of promised goods in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. This is delivered in a five-step model framework: <i>Step 1: Identifying the contracts</i> <i>Step 2: Identifying the performance obligations</i> <i>Step 3: Determining the transaction price</i> <i>Step 4: Allocating the transaction price to</i> | Based on the Company's final assessment, the impact of PFRS 15 is immaterial to the Company. As such, no adjustments were made in this regard. |

CERTIFIED TRUE COPY 1

Page 34 of 28 pages

Formed by: CPA SEP 07 2022

RECORD OF ORIGINAL DATA ISSUED

| Section in PFRS or SMEs | Provision in Section in PFRS for SMEs | Related Clause in Full PFRS | Impact on Company and Adjustments Made |
|------------------------------|---|---|--|
| | with the transaction will flow to the entity; and - The costs incurred or to be incurred in respect of the transaction can be measured reliably. | each performance obligation <i>Step 5:</i> Recognizing revenue when each performance obligation is satisfied | |
| Section 25 – Borrowing Costs | An entity shall recognize all borrowing costs as an expense in profit or loss in the period in which they are incurred. | Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Other borrowing costs are recognized as expense in the period in which they are incurred. | The Company has no recorded borrowing cost as of January 1, 2020. Hence, no adjustment as necessary. |

The following reconciliation shows the effect of the transition from the Company's previous accounting framework, PFRS for SMEs to the full PFRS as at January 1, 2020 (transition date) and December 31, 2019.

| | 01-Jan-20 | 31-Dec-19 |
|---|--------------|--------------|
| Retained earnings under PFRS for SMEs | (10,176,334) | (10,176,334) |
| Impact of change in financial reporting framework | - | - |
| Retained earnings under full PFRS | (10,176,334) | (10,176,334) |

4. CASH

The cash account of the Company as of December 31, 2020 and 2019 is composed of the following:

| | 2020 | 2019 |
|------|------------|-------------|
| Cash | 46,931,457 | 136,144,341 |

The Company's cash are all unrestricted in use and free from any liens or encumbrances.



5. PROPERTY AND EQUIPMENT

The property and equipment account of the Company as of December 31, 2020 and 2019 is composed of the following:

| | 1-Jan-20 Balance | Additions/ Provisions | 31-Dec-20 Balance |
|---------------------------------------|---------------------|--------------------------|----------------------|
| <i>Cost</i> | | | |
| Land | 32,412,704 | - | 32,412,704 |
| Container van | 1,313,000 | - | 1,313,000 |
| Office equipment | 450,018 | 154,857 | 604,875 |
| Furniture and fixtures | 46,263 | - | 46,263 |
| Medical equipment and fixture | - | 1,785,714 | 1,785,714 |
| Total cost | 34,221,985 | 1,940,571 | 36,162,556 |
| <i>Accumulated depreciation</i> | | | |
| Container van | 131,300 | 131,300 | 262,600 |
| Office equipment | 45,676 | 90,004 | 135,680 |
| Furniture and fixtures | - | 4,626 | 4,626 |
| Medical equipment and fixture | - | - | - |
| Total accumulated depreciation | 176,976 | 225,930 | 402,906 |
| <i>Net book value</i> | | | |
| Land | 32,412,704 | | 32,412,704 |
| Container van | 1,181,700 | | 1,050,400 |
| Office equipment | 404,342 | | 469,195 |
| Furniture and fixtures | 46,263 | | 41,637 |
| Medical equipment and fixture | - | | 1,785,714 |
| Property and equipment, net | 34,045,009 | | 35,759,650 |
| <i>Cost</i> | | | |
| Land | 16,837,210 | 15,575,494 | 32,412,704 |
| Container van | 1,313,000 | - | 1,313,000 |
| Office equipment | 96,953 | 353,065 | 450,018 |
| Furniture and fixtures | - | 46,263 | 46,263 |
| Total cost | 18,247,163 | 15,974,822 | 34,221,985 |
| <i>Accumulated depreciation</i> | | | |
| Container van | - | 131,300 | 131,300 |
| Office equipment | 26,285 | 19,391 | 45,676 |
| Furniture and fixtures | - | - | - |
| Total accumulated depreciation | 26,285 | 150,691 | 176,976 |
| <i>Net book value</i> | | | |
| Land | 16,837,210 | | 32,412,704 |
| Container van | 1,313,000 | | 1,181,700 |
| Office equipment | 70,668 | | 404,342 |
| Furniture and fixtures | - | | 46,263 |
| Property and equipment, net | 18,220,878 | | 34,045,009 |

There were no disposal or retirement of property and equipment for the years ended December 31, 2020 and 2019. The Company's land is currently held as collateral to secure its loan with the Development Bank of the Philippines. See Note 9, *Loans Payable* for further information.



6. CONSTRUCTION IN PROGRESS

As of December 31, 2020 and 2019, the movement of this account are as follows:

| | 01-Jan-20 Balance | Additions | 31-Dec-20 Balance |
|--------------------------|----------------------|-------------|----------------------|
| Construction in progress | 71,640,169 | 209,649,392 | 281,289,561 |
| <hr/> | | | |
| | 01-Jan-19 Balance | Additions | 31-Dec-19 Balance |
| Construction in progress | 34,470,804 | 37,169,365 | 71,640,169 |

The breakdown of the additions to construction in progress account are as follows:

| | 2020 | 2019 |
|---|--------------------|-------------------|
| Purchases from domestic suppliers | 188,276,338 | 37,169,365 |
| Imported purchases from foreign suppliers | 7,404,773 | - |
| Capitalized borrowing cost | 13,968,281 | - |
| Total additions | 209,649,392 | 37,169,365 |

During the current year, the Company recognized importation of materials under the construction in progress account amounting to Pnp7,404,773. The Company's interest expense is related to the construction of its qualifying asset. Hence, the Company capitalized its borrowing costs as part of its construction in progress account.

The building under construction was held as collateral to secure the term loan agreement of the Company with the creditor bank. See Note 9, *Loans Payable*, for further discussion.

7. INTANGIBLE ASSETS

As of December 31, 2020 and 2019, the movement of this account are as follows:

| | 1-Jan-20 Balance | Additions/ Provisions | 31-Dec-20 Balance |
|---------------------------------|---------------------|--------------------------|----------------------|
| <i>Cost</i> | | | |
| Software | - | 107,143 | 107,143 |
| <i>Accumulated amortization</i> | | | |
| Software | - | - | - |
| <i>Net book value</i> | | | |
| Intangible assets, net | - | - | 107,143 |

As of December 31, 2020 and 2019, there were no retirement or disposal of intangible assets occurred.

8. TRADE AND OTHER PAYABLES

As of December 31, 2020 and 2019, this account represents amounts payable to contractors. Trade and other payables are non-interest bearing and are payable within one year after reporting period. These are fully settled upon maturity on a lump-sum basis and impose no restrictions on the Company.

The balance of this account is as follows:

| | 2020 | 2019 |
|--------------------------|-----------|-------|
| Trade and other payables | 1,191,498 | 4,358 |



Securities and
Exchange
Commission
PHILIPPINES



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT
Verified by: *[Signature]* Date Issued: 01 SEP 01 2022
SIGNATURE NOT REQUIRED

9. LOANS PAYABLE

in 2018, the Company had a term loan agreement with the Development Bank of the Philippines (DBP) amounting to Php450,000,000 to finance its capital expenditures, particularly the construction of hospital building. This term loan will mature on December 3, 2033, which is 15 years from the date of agreement, inclusive of 3 years grace period. This loan bears interest of 5.25% per annum and has an availability period until December 2021.

Of the Php450,000,000 agreed loan, the Company has only availed a cumulative amount of Php360,000,000 and Php225,000,000 as of December 31, 2020 and 2019, respectively. The movement of the loan payable account for the years then ended are as follows:

| | 01-Jan-20 Balance | Additions | Payments | 31-Dec-20 Balance |
|------|----------------------|-------------|----------|----------------------|
| Bank | | | | |
| DBP | 225,000,000 | 135,000,000 | - | 360,000,000 |
| | | | | |
| | 01-Jan-19 Balance | Additions | Payments | 31-Dec-19 Balance |
| Bank | | | | |
| DBP | 90,000,000 | 135,000,000 | - | 225,000,000 |

Since the Company's loan is a term loan, there were no payments of principal made in 2020 and 2019.

This loan is wholly secured by the Company's real estate properties, with the following book value as of December 31, 2020:

| | 2020 | 2019 |
|--------------------------|-------------|-------------|
| Land | 32,412,704 | 32,412,704 |
| Construction in progress | 282,441,744 | 71,640,169 |
| Total net book value | 314,854,448 | 104,052,873 |

For the years ended December 31, 2020 and 2019, the Company paid the following finance charges:

| | 2020 | 2019 |
|-----------------------|------------|-----------|
| Interest | 13,968,281 | - |
| Documentary stamp tax | 1,012,500 | 1,012,500 |
| Gross receipts tax | 139,683 | - |
| Finance cost | 15,120,464 | 1,012,500 |

The interest amounting to Php13,968,281 was capitalized to the construction in progress account while the documentary stamp tax and gross receipts tax with an aggregate value of Php1,152,183 and Php1,012,500 are recognized as expense for the years ended December 31, 2020 and 2019, respectively.

Documentary stamp taxes are remitted to the BIR by the related intermediary financial institution. The Company did not incur any default in paying the interests of the loan and no restrictive covenants were imposed by DBP.

10. SHARE CAPITAL

At the date of incorporation, the Company has authorized share capital of Php360,000,000, comprised of 180,000 preferred shares with Php1,000 par value per share, 179,400 ordinary shares at Php1,000 par value per share, and 600 founder shares at Php1,000 par value per share.



Of the authorized shares, the following shares were subscribed by the shareholders:

| | 2020 | 2019 |
|---|--------------------|--------------------|
| 138,250 preferred shares (2019: 135,250) at par | 138,250,000 | 135,250,000 |
| 137,650 common shares (2019: 134,650) at par | 137,650,000 | 134,650,000 |
| 600 founder shares at par | 600,000 | 600,000 |
| Total | 276,500,000 | 270,500,000 |

However, only Php51,500,000 and Php36,000,000 were collected as of December 31, 2020 and 2019, respectively, thereby recognizing a subscription receivable of Php225,000,000 in 2020 and Php234,500,000 in 2019.

The following are the number of shares per class that are fully paid by the shareholders as of December 31, 2020 and 2019.

| | 2020 | 2019 |
|------------------|---------------|---------------|
| Preferred shares | 25,750 | 18,000 |
| Common shares | 25,150 | 17,400 |
| Founder | 600 | 600 |
| Total | 51,500 | 36,000 |

11. RETAINED EARNINGS

The Company's deficit increased to Php16,631,784 in 2020 from Php10,176,334 in 2019. This increase was due to the net loss incurred in 2020 which amounted to Php6,455,450. There were no appropriations and dividend declarations made for the years ended December 31, 2020 and 2019.

12. REVENUES

The Company did not start its operations yet. It has no revenue for the years ended December 31, 2020 and 2019.

13. COST OF REVENUES

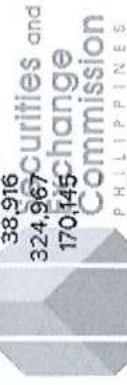
The Company did not incur any cost of revenues for the years ended December 31, 2020 and 2019.

14. OPERATING EXPENSES

The operating expenses account of the Company for the years ended December 31, 2020 and 2019 is composed of the following:

| | 2020 | 2019 |
|---------------------------------------|-----------|-----------|
| Salaries and wages including benefits | 1,402,885 | 1,700,000 |
| Insurance | 1,088,009 | - |
| Professional fees | 638,143 | 109,000 |
| Rent | 336,960 | - |
| Security salaries | 436,425 | 192,970 |
| Communication, light, and water | 421,882 | 18,681 |
| Depreciation | 225,930 | 150,691 |
| Donation | 207,054 | - |
| Supplies | 123,946 | 47,939 |
| Transportation and travel | 123,709 | 263,119 |
| SSS, PHIC, and HDMF contributions | 84,820 | - |

| | 2020 | 2019 |
|---------------------------|------------------|------------------|
| Pantry supplies | 64,397 | 38,916 |
| Outside services | 54,977 | 324,967 |
| Meetings and forums | 40,759 | 170,145 |
| Freight | 16,830 | |
| Trainings and seminars | 18,000 | |
| Taxes and licenses | 13,641 | - |
| Miscellaneous | 4,900 | 22,545 |
| Operating expenses | 5,303,267 | 3,038,973 |



15. INCOME TAX

On March 26, 2021, the Republic Act No. 11534 or the CREATE Act was signed and officially effective on April 11, 2021, with some retroactive provisions. The Act introduces to the corporate income tax and incentive systems.

Under this Act, domestic corporations in general are subject to a regular corporate income tax (RCIT) rate of 25%, effective July 1, 2020. However, corporations with net taxable income not exceeding Php5,000,000 and total assets not exceeding Php100,000,000, excluding the land on which the particular business office, plant and equipment are situated, will enjoy a lower income tax rate of 20%, effective July 1, 2020.

In addition, the Act also reduces the minimum income corporate income tax (MCIT) rate from 2% to 1%, effective July 1, 2020. The income tax liability of a corporation is still based on the higher amount between the gross income multiplied by the MCIT rate and the taxable income multiplied by RCIT rate. Any resulting excess of the MCIT over the RCIT is recognized as a deferred tax asset which can be deducted against future income tax liabilities of the corporation.

The regular and minimum corporate income tax rates shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable and gross income of the corporation for the period, divided by 12 months.

The computation of provision for income tax for 2020 and 2019 follows:

| | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| Loss before provision for income tax | (6,455,450) | (4,051,473) |
| Multiply by: statutory tax rate | 27.5% | 30% |
| Provision for income tax | - | - |

16. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company, in the normal course of business, has transactions with related parties as follows:

Due to related parties

Some shareholders paid some of the expenses incurred by the Company. This amount will be reimbursed once the Company starts its operations. Due to the relationship of the Company to its creditors, the liability has no foreseeable maturity, does not bear interest, and is unsecured and unimpaired. The obligation is to be settled in the form of cash consideration, unless both parties agree a different form of



consideration in the future. The Company is committed to pay its shareholders when there is sufficient cash flow.

The balance of this account as of December 31, 2020 and 2019 is as follows:

| Terms | Transactions for the period ended December 31 | | Outstanding balance as of December 31 | |
|---------------------------|---|-------------|---------------------------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Loan from related parties | - | (3,163,932) | - | - |

Key management personnel

The Company's key management personnel did not receive any form of compensation for the years ended December 31, 2020 and 2019.

17. LEASES

Accounting as Lessee

The table below presents the Company's leasing activities by type of underlying asset.

| Underlying asset | Lease Term | Extension option | Purchase option | Termination option | Variable lease payments |
|------------------|------------|------------------|-----------------|--------------------|-------------------------|
| | 6 months | None | None | None | - |
| Staff house | | | | | |

As a practical expedient, the rent payments associated with the short-term lease are expensed on a straight-line basis over the lease term. The Company has also taken into account any lease modifications made as new leases. The contract does not have an explicit clause included for extension.

The Company is prohibited to use the assets for any other purposes that were not agreed upon by the lessors and is responsible for the maintenance of the assets in good condition.

The expense relating to payments not included in the measurement of a lease liability is as follows:

| | 2020 | 2019 |
|----------------------------|----------------|----------|
| Short-term leases | | |
| Leases of low-value assets | 336,960 | - |
| Variable lease payments | - | - |
| Total | 336,960 | - |

For the years ended December 31, 2020 and 2019, there were no sale and leaseback transactions recognized, no residual value guarantees given by the Company to the lessors, and no leases not yet commenced to which the Company is committed.

18. SUPPLEMENTARY INFORMATION

The BIR issued RR No. 15-2010 on December 13, 2010 prescribing additional requirements for the submission of financial statements by individual and corporate taxpayers, thereby amending Section 2 of RR No. 21-2002.

The regulation now requires taxpayers to include information on taxes, duties, and license fees paid or accrued during the taxable year in addition to the disclosures mandated by the PFRS.



Pertinent information regarding the Company's compliance to the preceding regulation are as follows:

18.1. Taxes and licenses

| Government Agency | Particulars | Amount |
|-----------------------------|------------------------------------|---------------|
| City Treasurer's Office | Real Property Taxes | 10,299 |
| Land Registration Authority | Certified True Copy of Land Titles | 2,842 |
| Bureau of Internal Revenue | Annual Registration Fee | 500 |
| Total | | 13,641 |



18.2. Annual registration fee

| Particulars | Date | Amount |
|------------------|-----------|--------|
| Registration Fee | 27-Jan-20 | 500 |

18.3. Withholding tax

| Month | Professional fee (10%) | Professional fee (5%) | Rent (5%) | Services (2%) | Goods (1%) | Tax withheld |
|--------------|------------------------|-----------------------|----------------|-------------------|------------------|------------------|
| January | 14,000 | - | - | 12,342,571 | - | 248,251 |
| February | - | - | - | - | - | - |
| March | 14,000 | - | - | 6,710 | - | 1,534 |
| April | - | - | - | - | - | - |
| May | - | - | - | - | - | - |
| June | 33,000 | - | - | 646,315 | - | 16,226 |
| July | 7,000 | - | 126,360 | 2,290,179 | - | 52,822 |
| August | 7,000 | - | 42,120 | 6,710 | - | 2,940 |
| September | - | - | - | - | - | - |
| October | 629,329 | - | 84,240 | 3,152,511 | - | 130,195 |
| November | 332,200 | 50,000 | 42,120 | 20,272,731 | 107,143 | 444,352 |
| December | 357,000 | 21,000 | 42,120 | 56,784,987 | 1,694,228 | 1,191,498 |
| Total | 1,393,529 | 71,000 | 336,960 | 95,502,713 | 1,801,371 | 2,087,819 |

18.4. Value-added tax

The Company is a registered VAT entity and remits monthly VAT of 12% based on net taxable revenues less the corresponding input VAT. Output VAT represents the VAT arising from revenues while input VAT represents the VAT arising from purchases and expenses and applicable as deductions from output VAT when computing for net VAT payable.

VAT payable is computed by deducting the input VAT and any VAT withheld from the output VAT and which should be remitted to the BIR. The amount presented as current liabilities on the statement of financial position is the VAT payable for the month of December which has yet to be settled as of reporting date.

The VAT schedule for the year ended December 31, 2020 is presented on the following page.



VAT schedule

| Month | Date Filed | Sales | Output VAT | NonVAT Expenses | Vatable Expenses | Input VAT | Excess Input VAT Carryover | VAT Due |
|--------------|------------|-------|------------|------------------|--------------------|-------------------|----------------------------|--------------|
| January | 16-Feb-20 | - | - | 135,347 | 13,566,224 | 1,627,947 | 8,998,505 | (10,626,452) |
| February | 13-Mar-20 | - | - | - | 2,988,237 | 358,588 | 10,526,452 | (10,985,040) |
| March | 27-Apr-20 | - | - | - | 7,000 | 840 | 10,985,040 | (10,985,880) |
| April | 18-Jun-20 | - | - | 18,000 | 800,995 | 96,119 | 10,985,880 | (11,081,999) |
| May | 20-Jun-20 | - | - | - | 7,000 | 840 | 11,081,999 | (11,082,839) |
| June | 14-Jul-20 | - | - | 122,100 | 2,238,841 | 268,661 | 11,082,839 | (11,351,500) |
| July | 19-Aug-20 | - | - | - | 2,488,838 | 298,661 | 11,351,500 | (11,650,161) |
| August | 17-Sep-20 | - | - | - | 219,646 | 26,358 | 11,650,161 | (11,676,518) |
| September | 20-Oct-20 | - | - | - | 12,276,035 | 1,473,124 | 11,676,518 | (13,149,642) |
| October | 18-Nov-20 | - | - | 495,847 | 47,995,656 | 5,759,479 | 13,149,642 | (18,909,121) |
| November | 18-Dec-20 | - | - | 50,000 | 40,620,270 | 4,874,432 | 18,909,121 | (23,783,554) |
| December | 14-Jan-21 | - | - | 1,197,336 | 68,236,245 | 8,188,349 | 23,783,554 | (31,971,903) |
| Total | | - | - | 2,018,630 | 191,444,987 | 22,973,398 | | |

CERTIFIED TRUE COPY
 Page 1 of 1
 Date Issued: 01 SEP 2022
 Member by FAX Date Issued:

THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT FROM THE SEC RECORD OF THE SEC
 SIGNATURE NOT REQUIRED

19. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the policies and processes which involve identifying, measuring, monitoring and managing risks. The Board of Directors has delegated to senior management the responsibility of developing and updating the Company's policies and procedures which address risk management areas as well as reviewing the adequacy of these policies and procedures in relation to the risks being faced by the Company.

Senior management is also responsible for monitoring key risk indicators and enforcing strict compliance with the Company's policies and procedures. The Company's senior management is responsible for taking on and directly managing the risks.

Risk Management

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

Risk Management Structure

The Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. However, there are separate independent bodies responsible for managing and monitoring risks.

Risk Measurement and Reporting Systems

While the Company does not currently have an active risk management team, risk is generally measured through regular reporting from all portfolio managers. These reports include portfolio at risk and default statistics for all portfolio entities and are presented and explained to the Board of Directors and the Investment Committee, or a similar body, on a regular basis.

The use of financial instruments is fundamental to the Company's core business. Accordingly, the risks associated with financial instruments represent a significant component of the risks being faced by the Company.

The Company has exposure to a variety of financial risks, such as market risk, credit risk and liquidity risk from its use of financial instruments. These risks and the Company's risk management framework and specific risk management policies and procedures for measuring, monitoring and managing such risks are outlined below and on the next following pages. Relevant quantitative disclosures are also included as appropriate.

Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market variables. Market risk comprises three types of risk: foreign exchange risk, price risk and interest rate risk.

(a) Foreign currency risk

Foreign currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates. All currencies can experience periods of high volatility which can adversely affect profit margins if suitable strategies are not in place to protect cash flow from sudden currency fluctuations.



(b) Price risk

Price risk is the risk that fair value or future cash flows of financial instruments will fluctuate securities and because of changes in market prices, other than those arising from interest rate risk or currency change risk, whether those changes are caused by factors specific to the individual financial instrument commission PHILIPPINES or its issuer, or factors affecting all similar financial instruments traded in the market.

As of December 31, 2020 and 2019, the Company is not exposed to market risk because it does not hold market-sensitive financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, for market segmentation, and industry concentrations, and by monitoring exposures in relation to such limits, among others.

The following table shows the carrying amounts of the Company's financial assets that have a maximum exposure to credit risk:

| | 2020 | 2019 |
|--------------|------------|-------------|
| Cash in bank | 46,931,457 | 136,144,341 |

The credit risk for cash in bank is considered negligible since the counterparties are reputable entities with high quality external credit ratings.

In accordance with the recent related standard issued, the Company classifies financial assets into the following credit grades:

- Stage 1: Performing – this pertains to accounts with very low probability of defaults because of the borrower's established ability to tap its liquid resources to fully service its obligations as they become due. The borrower has no history of default and uses leverage sparingly. This category includes debt securities issued or guaranteed by the government or its agencies or controlled corporations.
- Stage 2: Underperforming – this pertains to accounts with an acceptable probability of default. Nevertheless, the borrower has a strong debt service record and has demonstrated the ability to readily service its debts. Collateral cover, if applicable, should be adequate. This includes receivables with good credit standing and amounts lent to creditors with healthy capital and liquidity ratios.
- Stage 3: Non-performing – this pertains to accounts for which the Company determines high probability of not collecting the principal and interest due based on the contractual terms and agreements. Collateral cover, if applicable, is insufficient.

As of December 31, 2020 and 2019, the credit quality of the Company's financial assets is presented below:

| | 2020 | | | Total |
|--------------|------------|---------|---------|------------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Cash in bank | 46,931,457 | - | - | 46,931,457 |

| | 2019 | | | Total |
|--------------|-------------|---------|---------|-------------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Cash in bank | 136,144,341 | - | - | 136,144,341 |



Cash in bank are considered under Stage 1 as performing because management deals only with top banks in the Philippines.

There are no transfers between stages during 2020 and 2019. None of the financial assets that are performing has been renegotiated in 2020 and 2019.

Significant increase in credit risk

When determining whether the credit risk (i.e., risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime probability of default (PD) for this point in time that was estimated on initial recognition of the exposure.

The Company believes that the credit risk on a financial instrument has increased significantly when the contractual payments of the counterparty debtors are more than 120 days past due. A financial asset is past due when a counterparty has failed to make a payment when that payment was contractually due. Due dates are determined without considering any grace period that might be available to the borrower.

Definition of "default" by the management

The term "default" is not defined in PFRS 9 Financial Instruments and the Company will have to establish its own policy for what it considers a default, and apply a definition consistent with that used for internal credit risk management purposes for the relevant financial instrument. The Company defines its financial instruments in default in all cases when the counterparty debtor is not able to pay after the one year from its due date.

Liquidity risk

Liquidity risk is the risk that a company will encounter difficulty in raising funds to meet commitments associated with the financial liabilities. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values, or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Company manages its liquidity profile to be able to finance the operations and capital expenditures, service the maturing debts and meet other financial obligations. As part of the liquidity risk management program, the Company regularly evaluates its projected and actual cash flows including the loan maturity profiles, and continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. The Company's objective is to maintain a balance between continuity and flexibility through the use of internally generated funds and banks. The Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets.

The following tables summarize the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual obligations as of December 31, 2020 and 2019. The table also analyzes the maturity profile of the company's financial assets in order to provide a complete view of the company's contractual commitments and liquidity.



2020 Maturity Profile

| | Carrying Amount | 6 months or less | 6 to 12 months | Over 12 months |
|------------------------------|----------------------|-------------------|----------------|----------------------|
| <i>Financial assets</i> | | | | |
| Cash | 46,931,457 | 46,931,457 | - | - |
| <i>Financial liabilities</i> | | | | |
| Loans payable | 360,000,000 | - | - | 360,000,000 |
| Liquidity position | (313,068,543) | 46,931,457 | - | (360,000,000) |

2019 Maturity Profile

| | Carrying Amount | 6 months or less | 6 to 12 months | Over 12 months |
|------------------------------|---------------------|--------------------|----------------|----------------------|
| <i>Financial assets</i> | | | | |
| Cash | 136,144,341 | 136,144,341 | - | - |
| <i>Financial liabilities</i> | | | | |
| Loans payable | 225,000,000 | - | - | 225,000,000 |
| Liquidity position | (88,855,659) | 136,144,341 | - | (225,000,000) |

The Company's objective in managing liquidity risk is to ensure that it will always have sufficient means to meet its liabilities when due, whether under normal or stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Additionally, the Company obtains the support of its shareholders to meet additional cash requirements when necessary.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. There are two types of interest rate risk:

- a) Fair value interest rate risk – the risk that the value of the financial instruments will fluctuate because of changes in the market interest rates and
- b) Cash flow interest rate risk – the risk that future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to changes in interest rates relates primarily to the Company's loans payable. Its policy is to manage its interest cost by regularly entering into short-term bank loans as it relates to its working requirements in order to mitigate the impact of potential increase in loan interest rates from borrowings.

The table below shows the financial assets and liabilities that are interest-bearing.

| | 2020 | 2019 |
|---------------------------|-------------------------|-------------------------|
| Financial asset | Effective Interest Rate | Effective Interest Rate |
| Fixed rate cash in bank | 0.25% - 0.50% | 0.25% - 0.50% |
| Financial liabilities | Amount in Php | Amount in Php |
| Fixed rate long-term loan | 46,931,457 | 136,144,341 |
| | 5.25% | 5.25% |
| | 360,000,000 | 225,000,000 |

The interest coverage ratio is used to determine how easily a Company can pay interest expenses on outstanding debt. The ratio is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses for the same period.

CERTIFIED TRUE COPY 1

Page 41 of 49 pages

Verified by: TAMPOUS DAYRANES OFFICIAL RECORER SEC

The Company's interest coverage ratio in times is computed as follows:

| | 2020 | 2019 |
|-------------------------|----------------------|--|
| EBIT | | Securities and Exchange Commission 1,012,500 PHILIPPINES (3.00) |
| Divide by: finance cost | (5,303,267) | (3,038,973) |
| Interest coverage ratio | 15,120,464 (0.35) | 1,012,500 (3.00) |

The Company is able to meet debt obligations -0.35 times in 2020 (2019: -3 times) on a pre-tax basis as the Company's interest-bearing financial liabilities accrue interest payments.

The audit findings also reveal that the financial statements are not affected significantly by interest rate risk. The Company does not perform sensitivity analysis since the Company expects that the effect of change in interest rates will have insignificant effect on the Company's operations. Additionally, as the Company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

Operational risk

These risks arise from various operational and administrative procedures that the business uses to implement its strategy. The Company's policy maintains close monitoring of everyday operations by well-trained superiors, and timely reports of the different departments are submitted to top management.

Compliance risk

These risks derive from the necessity to ensure compliance with laws, regulations, and other less formal societal expectations which, if infringed, can damage the Company. The Company implements strict guidelines which management, staff, and employees adhere to.

20. CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. It sets the amount of capital in proportion to its overall financing structure, i.e., equity and financing liabilities. The Company complies with RA No. 11232, the Revised Corporation Code of the Philippines, on imposed capital requirements and has no restrictions on the issue and repurchase of ordinary shares. No changes were made in the objectives, policies and processes from the previous years.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To meet its objectives, the Company continuously seeks for new buyers to generate higher earnings as it maintains a positive relationship with its existing customers.

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in the Company's investment policies;
- To safeguard the Company's ability to continue as going concern;
- To maintain sufficient liquidity to meet the expenses of the Company; and
- To maintain sufficient size to make the operation of the Company cost-efficient.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its stockholders or pay off existing debts.



The Company manages the following capital:

| | 2020 | 2019 |
|-----------------|--------------------|--------------------|
| Long-term loans | 360,000,000 | 225,000,000 |
| Equity | 34,868,216 | 25,823,666 |
| Total | 394,868,216 | 250,823,666 |

The Company monitors its capital on the basis of leverage ratio. This ratio is calculated at net debt divided by total capital. The ratio measures financial leverage that demonstrates the degree to which the Company's operations are funded by equity capital in comparison to debt financing. A high leverage ratio represents a high proportion of debt to equity and a low leverage ratio represents a low proportion of debt to equity.

The leverage ratio of the Company as of December 31, 2021 and 2020 is as follows:

| | 2020 | 2019 |
|-----------------------|-------------|-------------|
| Total liabilities | 361,191,498 | 225,004,358 |
| Less: cash | 46,931,457 | 136,144,341 |
| Net debt | 314,260,041 | 88,860,017 |
| Total equity | 34,868,216 | 25,823,666 |
| Total capital | 349,128,257 | 114,683,683 |
| Leverage ratio | 90% | 77% |

21. FINANCIAL RATIOS

Financial ratios serve as an indicator or measurement tool to determine effectivity/efficiency on various financial aspects of the Company such as but not limited to, its ability to meet or pay-off current or long-term debts, the effectiveness or efficiency in asset usage, the availability of cash for immediate payment of obligations and many other.

Financial ratios compare the results in different line items of the financial statements. The analysis of these ratios is designed to draw conclusions regarding the financial performance, liquidity, leverage, and asset usage of a business. This type of analysis is widely used, since it is solely based on the information located in the financial statements, which is generally easy to obtain. In addition, the results can be compared to industry averages or to the results of benchmark companies to see how a business is performing in comparison to other organizations.

Current Ratio

Current ratio is primarily used to determine the Company's capability to pay-off current debts with its current assets. Current Ratio determines the liquidity of Company, the capacity of the Company to meet/pay its current obligations using its current assets (cash, assets readily convertible to cash). Higher current ratios indicate that the Company is more capable to meet current liabilities when they are due.

Debt-to-Equity Ratio

Debt-to-equity ratio compares the Company's total debt to total equity. It is used to determine the amount of financing the Company has from external sources/creditors in comparison to equity infused by shareholders.

Solvency Ratio

Solvency ratio is a key metric used to measure the Company's ability to meet its debt obligations and is used often by prospective business lenders. This ratio indicates whether a Company's cash flow is sufficient to meet its short and long-term liabilities.



Equity Ratio

Equity ratio shows the relationship between the Company's asset and equity. This ratio is used to measure the proportion in which the Company's total asset is funded by the Company's equity.

Assets-to-Equity Ratio

Assets-to-equity ratio indicates the relationship of the total assets of the Company to the part owned by shareholders. This ratio is an indicator of the Company's leverage (debt) used to measure the proportion of total assets financed by the Company's equity.

Return on Equity

Return on equity is a measure of profitability that calculates how many peso of profit a Company generates with each peso of shareholders' equity.

Return on Assets

Return on equity assets is a financial ratio that shows the percentage of profit a Company earns in relation to its overall resources.

Asset Turnover Ratio

The asset turnover ratio is an efficiency ratio that measures a Company's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a Company can use its assets to generate sales.

Quick Asset Ratio

The quick ratio or acid test ratio is a liquidity ratio that measures the ability of a Company to pay its current liabilities when they come due with only quick assets. Quick assets are current assets that can be converted to cash within 90 days or in the short-term. Cash, cash equivalents, short-term investments or marketable securities, and current accounts receivable are considered quick assets.

Operating Profit Margin

Operating margin is a measurement of what proportion of a Company's revenue is left over after paying for costs of operations.

Net Profit Ratio

The net profit ratio is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of the Company, especially when combined with an evaluation of how well it is using its working capital.

The computations of the financial ratios of the Company are shown on the next page.

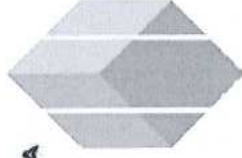




**ALLIED
CARE
EXPERTS**

MEDICAL CENTER - ZAMBOANGA

Member of All Group of Hospitals



**Securities and
Exchange
Commission**
PHILIPPINES

FINANCIAL SOUNDNESS INDICATORS

For the years ended December 31

| | 2020 | 2019 |
|---------------------------------|--------------------|--------------------|
| Current assets | 78,903,360 | 145,142,846 |
| Divide by: current liabilities | 1,191,498 | 4,358 |
| Current ratio | 6622% | 3330492% |
| Total liabilities | 361,191,498 | 225,004,358 |
| Divide by: total equity | 34,868,216 | 25,823,666 |
| Debt - equity ratio | 1036% | 871% |
| Total assets | 396,059,714 | 250,828,024 |
| Divided by: total liabilities | 361,191,498 | 225,004,358 |
| Solvency ratio | 110% | 111% |
| Total equity | 34,868,216 | 25,823,666 |
| Divide by: total assets | 396,059,714 | 250,828,024 |
| Equity ratio | 9% | 10% |
| Total assets | 396,059,714 | 250,828,024 |
| Divided by: total equity | 34,868,216 | 25,823,666 |
| Assets-to-equity ratio | 1136% | 971% |
| Net loss | (6,455,450) | (4,051,473) |
| Divide by: total equity | 34,868,216 | 25,823,666 |
| Return on equity | -19% | -16% |
| Net loss | (6,455,450) | (4,051,473) |
| Divide by: total assets | 396,059,714 | 250,828,024 |
| Return on assets | -2% | -2% |
| Revenue | - | - |
| Divide by: average total assets | 323,443,869 | 186,935,748 |
| Asset turnover | 0% | 0% |
| Quick assets | 46,931,457 | 136,144,341 |
| Divide by: current liabilities | 1,191,498 | 4,358 |
| Quick asset | 3939% | 3124010% |
| Operating loss | (5,303,267) | (3,038,973) |
| Divide by: revenue | - | - |
| Operating profit margin | - | - |
| Net loss | (6,455,450) | (4,051,473) |
| Divided by: Revenue | - | - |
| Net profit ratio | - | - |



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT. Maxfile by: WAMPUP. Date Issued: 03 of 150 pages. SEP 01 2022. SEC

SIGNATURE NOT REQUIRED

22. COMPLIANCE WITH RR 15-2010

| <p>RR 15-2010 Provisions</p> | <p>In compliance with the requirements set forth by RR 15-2010 hereunder is the information on taxes, duties and license fees paid or accrued during the taxable year. The Company is a VAT registered entity engaged in providing medical services that paid the amount of Php None as output tax pursuant to RR 16-2005 and based on the amount reflected in the Revenue account of Php None.</p> | | | | | | | | | | |
|---|---|------------------|----------------------------|-------------|--|----------|----------------------|------------------|----------------------|---------------|----------------------|
| <p>1. The amount of VAT output declared during the year and the account title and amount/s upon which the same was based. If there are zero-rated sales-receipts and/or exempt sales/receipts, a statement to that effect and the legal basis therefore: 2. The amount of VAT input claimed broken down into: a. Beginning of the year; b. Current year's domestic purchases/ payments for: I. Goods for resale/ manufacture or further processing II. Goods other than for resale or manufacture III. Capital goods subject to amortization IV. Capital goods not subject to amortization V. Services lodged under cost of revenues VI. Services lodged under other accounts c. Claims for tax credit/ refund and other adjustments; and d. Balance at the end of the year</p> | <p>The amount of VAT input claimed are broken down as follows: a. Beginning of the year..... Php <u>8,998,505</u> b. Current year's purchases: I. Goods for resale/manufacture or further processing..... Php None II. Goods other than for resale or manufacturing..... Php None III. Capital goods subject to amortization..... Php None IV. Capital goods not subject to amortization..... Php None V. Services lodged under cost of revenues..... Php None VI. Services lodged under other accounts..... Php <u>22,973,398</u> c. Claims for tax credit/refund and other adjustments..... Php None d. Balance at the end of the year..... Php <u>31,971,903</u></p> | | | | | | | | | | |
| <p>3. The landed cost of imports and the amount of customs duties and tariff fees paid or accrued thereon:</p> | <p>The landed cost of the Company's importations amounted to <u>Php 7,404,773</u> for the year, with paid/accrued amount of <u>Php</u> as customs duties and <u>Php</u> as tariff taxes.</p> | | | | | | | | | | |
| <p>4. The amount of excise tax/es, classified per major product category, i.e. tobacco products, alcohol products, automobiles, minerals, oil and petroleum, etc. paid on: a. Locally produced excisable items; and b. Imported excisable items.</p> | <p>The amount of excise tax/es, classified as follows:</p> <table border="1" data-bbox="1332 247 1512 805"> <thead> <tr> <th>Product category</th> <th>Excise Tax/es Paid/Accrued</th> </tr> </thead> <tbody> <tr> <td>Tobacco</td> <td>Locally Produced Php None Imported Php None</td> </tr> <tr> <td>Alcohol</td> <td>Php None Php None</td> </tr> <tr> <td>Automobiles</td> <td>Php None Php None</td> </tr> <tr> <td>Oil/Petroleum</td> <td>Php None Php None</td> </tr> </tbody> </table> | Product category | Excise Tax/es Paid/Accrued | Tobacco | Locally Produced Php None Imported Php None | Alcohol | Php None Php None | Automobiles | Php None Php None | Oil/Petroleum | Php None Php None |
| Product category | Excise Tax/es Paid/Accrued | | | | | | | | | | |
| Tobacco | Locally Produced Php None Imported Php None | | | | | | | | | | |
| Alcohol | Php None Php None | | | | | | | | | | |
| Automobiles | Php None Php None | | | | | | | | | | |
| Oil/Petroleum | Php None Php None | | | | | | | | | | |
| <p>5. Documentary stamp tax (DST) on loan instruments, shares of stock and other transactions subject thereto:</p> | <p>The DST paid/accrued on the following transactions are:</p> <table border="1" data-bbox="1590 247 1691 805"> <thead> <tr> <th>Transaction</th> <th>Amount</th> <th>DST thereon</th> </tr> </thead> <tbody> <tr> <td>Loan Instruments</td> <td>Php None</td> <td>Php None</td> </tr> <tr> <td>Shares of stocks</td> <td>Php None</td> <td>Php None</td> </tr> </tbody> </table> | Transaction | Amount | DST thereon | Loan Instruments | Php None | Php None | Shares of stocks | Php None | Php None | |
| Transaction | Amount | DST thereon | | | | | | | | | |
| Loan Instruments | Php None | Php None | | | | | | | | | |
| Shares of stocks | Php None | Php None | | | | | | | | | |
| <p>6. All other taxes, local and national, including real estate taxes, license and permit fees lodged under the Taxes and Licenses account both under the cost of revenues and operating expenses accounts;</p> | <p>Other Taxes and Licenses: a. Local Real Estate Taxes..... Php <u>10,299</u> Mayor's Permit..... Php None PTR..... Php None National BIR Annual Registration..... Php <u>500</u> Percentage Taxes..... Php None</p> | | | | | | | | | | |

CERTIFIED TRUE COPY 461

Page 56 of 76 pages SEP 0 2012

Verified by the PRC Data Registrar OF THE SEC

| | |
|---|---|
| <p>7. The amount of withholding taxes categorized into:</p> <ul style="list-style-type: none"> i. Tax on compensation and benefits ii. Creditable withholding tax/es iii. Final withholding tax/es | <p>The amount of withholding taxes paid/accrued for the year amounted to:</p> <ul style="list-style-type: none"> i. Tax on compensation..... Php None ii. Creditable withholding tax/es..... Pnp 2,087,819 iii. Final withholding tax/es..... Pnp None |
| <p>8. Periods covered and amount/s of deficiency tax assessments, whether protested or not;</p> | <p>The Company has not received a final assessment notice from the Regional Office covering the taxable year 2020 amounting to Php None, inclusive of penalties for deficiency income/ VAT/ percentage/ withholding tax, which has been protested/ agreed upon.</p> |
| <p>9. Tax cases and amounts involved, under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.</p> | <p>The Company has no RATE case under preliminary investigation of the Department of Justice (DOJ) involving deficiency income tax for the taxable year 2020.</p> |

Securities and Exchange Commission
 PHILIPPINES



THIS IS A SYSTEM GENERATED COPY OF THE DOCUMENT. SIGNATURE NOT REQUIRED.



FLORIVEL M. DE JESUS ACCOUNTING & AUDITING OFFICE

3rd Floor, JSB Building, Don Alfaro Street, Tetuan, Zamboanga City, Philippines 7000

E-mail Address: flordj36@yahoo.com

Contact No. (062) 991-1011 | 955-5563 | 955-8512 Direct Line No. 926-6408 | 926-6308 | 926-3874



Securities and
Exchange
Commission
PHILIPPINES

SEC Revised SRC Rule 68, Annex 68-B, Supplemental Written Statement of Auditor
As Amended on August 19, 2019

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS
ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.

Don Alfaro St., Tetuan, Zamboanga City
MORNING VISITORS: 8:00 AM TO 12:00 PM (MON-FRI) | DAY VISITORS: 8:00 AM TO 5:00 PM (MON-FRI) | NIGHT VISITORS: 6:00 PM TO 11:00 PM (MON-FRI) | WEEKEND VISITORS: 8:00 AM TO 5:00 PM (SAT-SUN) | HOLIDAY VISITORS: 8:00 AM TO 5:00 PM (SAT-SUN) | EMERGENCY VISITORS: 24 HOURS

I have audited the amended financial statements of **ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - ZAMBOANGA CITY, INC.** for the year ended December 31, 2020, on which I have rendered the attached report dated April 30, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, I am stating that the said company has a total number of fifty-three (53) shareholders owning one hundred (100) or more shares each.

Y909 T80 MO 0528 B 21 020
5505 10 932
CONFERENCE ROOM 2111 RUD2

Y909 T80 MO 0528 B 21 020



Florivel M. De Jesus
FLORIVEL M. DE JESUS

- Board certificate no. 8747
- TIN/263-445-116
- BIR no 2341291
- Issued on January 9, 2022 at Zamboanga City
- SEC accreditation no. 8747-SEC Group C
- Issued on February 22, 2021 until February 21, 2025
- BIR accreditation no: AN-15001997-1-2019
- Issued on July 12, 2019 until July 11, 2022
- BOA accreditation no.0727
- Issued on November 5, 2020 until January 29, 2024
- DTI no. 05900738
- Issued on March 12, 2019 until March 12, 2024
- CDA accreditation no. 0323
- Issued on June 4, 2020 until June 3, 2023

CERTIFIED TRUE COPY
Page 1 of 1 Pages
Verified by: *TA* Date Issued: **SEP 01 2022**

