

SECURITIES AND EXCHANGE COMMISSION  
**SEC FORM 12-1 SRS**  
SIMPLIFIED REGISTRATION STATEMENT FOR HOSPITALS

**GENERAL INSTRUCTIONS**

1. Pursuant to SEC Res. No. 225, s. of 2017, hospitals may use Form 12-1 SRS for registration of its securities that are sold or offered for sale pursuant to Section 8 and 12 of the Code. The use of Form 12-1 SRS is without prejudice to the right of the Commission to require such other information or documents as if may prescribe, consistent with the interest of the general public and for the protection of investors.
2. Under Section 13.1(b) of the Securities Regulation Code ("SRC"), the Commission may reject Registration Statement which on its face is *incomplete*. Notwithstanding the said provision, Sec. 14.2 of the SRC states that an amendment filed prior to the effectiveness date of the Registration Statement ("RS") shall recommence the forty-five (45) day period within which the Commission shall act on a RS. Thus, should the company be amendable to extending the 45-day processing period (by executing a letter consenting to the processing time of the application to enable the company to amend its RS) the Market and Securities Regulation Department ("MSRD") shall be constrained to elevate the application based on the existing RS on file, to enable MSRD to comply with the said processing period mandated under Section 12.6 of the SRC.
3. Attention is directed under Section 68, As Amended on the Financial Statement requirements. Prior to preparation of their filings, registrants should also review the provisions of SRC Rule 72.1, "General Rules and Regulations for Filing of SEC Forms with the Securities and Exchange Commission." Definitions contained in "Annex B" and SRC Rule 68, as amended, to the extent they are not defined herein, shall govern the meanings of similar terms used herein.
4. The registration statement shall be signed by the registrant's chief executive officer, its chief operating officer, its chief financial officer, its controller, its chief accounting officer, its corporate secretary or persons performing similar functions.
5. The name of each person who signs the registration statement shall be typed or printed beneath his/her signature. Any person who occupies more than one of the specified position shall indicate the capacity in which he signs the registration statement. At least one (1) copy of the documents filed shall be manually signed and the unsigned copies shall be conformed.
6. Every amendment to a registration statement shall be signed by the persons specified in Section 12.4 of the Code or by any executive officer duly authorized by the Board of Directors. The final prospectus shall, however, be signed by all required signatories under Section 12.4 of the Code.
7. Three (3) copies of the complete Form 12-1 SRS shall be filed including exhibits and all other papers and documents filed as part thereof.
8. In case of withdrawal of a registration statement, fifty percent (50%) of the filing fee paid shall be *forfeited and not be allowed for future application*.

9. In the event that the registration statement is rejected pursuant to Section 13 of the Code, the filing fee paid thereon shall be *forfeited*.
10. Confidential Treatment of Information filed with the Commission -any request for confidentiality will be presented to Commission En Banc prior its application for registration or offering
11. How to use this form: Put ✓ inside the box to mark a box.

SECURITIES AND EXCHANGE COMMISSION  
**SEC FORM 12-1 SRS**  
SIMPLIFIED REGISTRATION STATEMENT FOR HOSPITALS

1. SEC Registration Number..... CS201423451
2. Exact name of issuer as specified in its charter  
..... ALLIED CARE EXPERTS (ACE) MEDICAL CENTER - TACLOBAN, INC.
3. Principal Business Address including postal code..... Brgy. 78 Marasbaras, Tacloban City, Leyte 6500
4. Province, country of other jurisdiction of incorporation or organization..... Leyte, Philippines
5. BIR Tax Identification No. 008-917-666-000
6. Industry Group: Hospitals and Physicians
7. Telephone Number including area code: 053- 832- 2240  
09950137700
8. Official company's website..... [www.acemctacloban.com](http://www.acemctacloban.com)
9. Fiscal Year (Day and Month) 31 December

### COMPUTATION OF FILING FEE

Title of each class of securities to be registered	Shares to be registered	Proposed Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
<b>Founder (I)</b>	<b>600</b>	-	<b>600,000</b>	
<b>Common (I)</b>	<b>191,400</b>	-	<b>149,400,000</b>	
<b>Common</b>	<b>1,400</b>	<b>200,000</b>	<b>280,000,000</b>	
	<b>600</b>	<b>250,000</b>	<b>150,000,000</b>	<b>860,500</b>
	<b>700</b>	<b>300,000</b>	<b>210,000,000</b>	<b>8,605</b>
	<b>900</b>	<b>400,000</b>	<b>360,000,000</b>	
<b>Total</b>	<b>228,000</b>		<b>P1,150,000,000</b>	<b>P869,105</b>

Registration Statements filed pursuant to Section 12 of the Code shall be accompanied by a fee as follows:

Maximum aggregate price of securities to be offered	Amount of filing fee
Not more than P500 Million	0.10% of the maximum aggregate price of the securities to be offered
More than P500 Million but not more than P750 Million	P500,000 plus 0.075% of the excess over P500 Million
More than P750 Million but not more than P1 Billion	P687,500 plus 0.05% of the excess over P750 Million
More than P1 Billion	P812,500 plus 0.025% of the excess over P1 Billion

A legal research fee of 1% of the filing fee paid for filings made pursuant to SRC Rule 8.1 shall also be paid at the time of the filing.

## **PART I - INFORMATION REQUIRED IN PROSPECTUS**

1. Front of the Registration Statement and Outside Front Cover Page of Prospectus
2. Inside Front Cover and First Two or More Pages of Prospectus
3. Forward looking Statement
4. Definition of Terms
5. Executive Summary
6. Risk Factors
7. Business Information
8. Use of Proceeds
9. Description of Securities Offered
10. Plan of Distribution
11. Capitalization
12. Outstanding Securities and Principal Shareholders
13. Board of Directors
14. Management
15. Financial Information
16. Information on Independent Accountant and Other Related Matters
17. Independent Auditors and Counsels
18. Regulatory Framework
19. Corporate Governance and Board Committees
20. Other Material Factors

## **PART II - INFORMATION REQUIRED IN REGISTRATION STATEMENT BUT NOT REQUIRED IN PROSPECTUS**

### **21. Other Expenses of Issuance and Distribution**

Give the itemized statement of all expenses of the offering other than the discounts and commission (if applicable). If any of the securities are registered for sale by security holders, state how much of the expenses the security holders will pay. If the amount of any items are not known, give estimates but identify them as such.

### **22. Exhibits**

<b>Description</b>	<b>Exhibit No.</b>
1. Publication of Notice re: Filing	"A"
2. Articles of Incorporation and By-laws	"B", "B-1", "B-2"
3. Instruments defining the rights of security holders	"C"
4. Opinion re: Legality	"D"
5. Opinion re: Tax Matters	"D"
6. Material Contracts	"E"
7. Audited Financial Statements	"F", "G"

<b>Description</b>	<b>Exhibit No.</b>
8. Subsidiaries of the Issuer	N.A.
9. Consent of Experts and Independent Counsel	"F", "G" & "D" "
10. Notarized Curriculum Vitae and Latest Photographs of Officers and Members of the Board of Directors	"H"
11. Authorization re: Issuer's Bank Account	"I"
12. Copy of Board Resolution approving the securities offering and authorizing the filing of Registration Statement	"J"
13. Duly verified resolution of the Issuer's Board of Directors approving the disclosure contained in the registration statement and prospectus and assuming liability for the information contained therein	"J"
14. Manual on Corporate Governance	TBS
15. Additional Exhibits:	
Certification that all mandated government license, permits are secured and valid	"K"
Certification of no pending case/s filed against and by the Issuer	"L"
Certification that all AFS of all subsidiaries has been filed with the Commission (if applicable)	N.A.
Certification by selling shareholder as to the accuracy of any part of the registration statement contributed by such selling shareholders (if applicable)	N.A.
Certification from Project Engineer as to percentage of building constructed	"M"
Tax Compliance Report filed by the Issuer	"N"
Feasibility study prepared by qualified profession on the capacity of the Issuer to provide Medical Benefits	"O"
Memorandum of Agreement with other Hospitals (if applicable)	"P"
Permit to Construct Hospital issued by Bureau of Health Facilities and Services (BHFS) of the Department of Health (DOH)	"Q"
Escrow/Custodian Agreement with a reputable bank	N.A.
Credit Line Agreement	N.A.
Copy of the Environmental Compliance Certificate	"R"
Copy of Development Agreement	N.A.

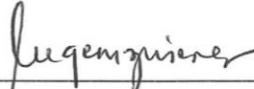
<b>Description</b>	<b>Exhibit No.</b>
Certified True Copy of Transfer Certificate Title	"S"
List of Equipment to be Purchased	"T"

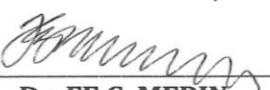
**23.** Furnish any other document the omission of which will render the foregoing material facts or any other part of the Registration Statement misleading.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Tacloban on September 25, 2019.

  
**Dr. FERNANDO P. CARLOS**  
 Chief Executive Officer

  
**Dr. LA RHAINA G. VIERNES**  
 Corporate Secretary

  
**Dr. FE G. MERIN**  
 Chief Operating Officer

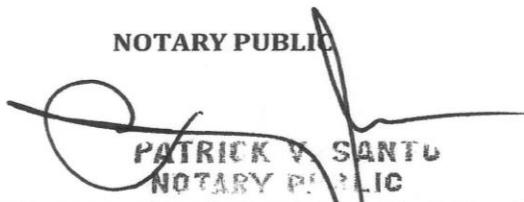
  
**Dr. NIMFA L. NUEVAS**  
 Corporate Treasurer

**SUBSCRIBED AND SWORN** to before me this SEP 27 2019 affiants exhibiting to me their competent proof of ID as follows:

Name	Type of Identification	I.D. Number	Date/Place of Issue
Fernando P. Carlos	PRC	0063367	Valid until 02/07/2020, Manila
La Rhaine G. Viernes	PRC	0082395	08/10/2019/Tacloban City
Nimfa L. Nuevas	PRC	0079145	valid until 03/28/2020, Tacloban City
Fe G. Merin	PRC	0050263	Valid until 01/08/2021 Tacloban City

Page No. 20  
 Doc. No. 94  
 Book No. VII  
 Series of 2019.

**NOTARY PUBLIC**

  
**PATRICK V. SANTO**  
**NOTARY PUBLIC**  
**NOTARIAL COMMISSION NO. NC-2018-01-46**  
**ISSUED ON 1-24-18/ UNTIL 12-19**  
**ROLL OF ATTORNEYS NO. 39008**  
**IBP LIFETIME NO. 09999/07-14-95/LEYTE CHAPTER**  
**MCLE COMPLIANCE NO. VI-0000074/MAY 31, 2018**  
**PTR NO. 2654207/01-03-2019/ TANAUAN, LEYTE**  
**2ND FLOOR PRIMA ASUNCION BLDG.**  
**APITONG ROAD, TACLOBAN CITY**

Series of 2019.



**ALLIED CARE EXPERTS (ACE)  
MEDICAL CENTER – TACLOBAN, INC.**

A Corporation existing and duly organized under the  
Laws of the Republic of the Philippines with

**SEC Certificate of Registration No. CS201423451**

This Final Prospectus relates to the registration of **192,000 issued and outstanding shares of ACE Medical Center - Tacloban, Inc.** (ACE Tacloban) consisting of *600 Founders shares and 191,400 common shares, plus 36,000 common shares equivalent to 3,600 blocks* of ACE - Tacloban (the *Offer Shares*) for issuance to the public at an Offer Price ranging from P200,000.00 up to a maximum amount of P400,000.00 per block.

The securities will be traded Over-the-Counterthrough salaried employee/s that will act as the Hospital's salesmen<sup>1</sup>.

DATE: September 27, 2019

**Principal Office:**

Brgy. 78 Marasbaras, Tacloban City  
6500

**Telephone Numbers:**

053- 832- 2240  
09950137700

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.**

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<sup>1</sup>*The Hospital has tapped its salaried employee act as its organic Salesman. The Hospital believes that its employee/s are the best marketers of its shares as they organically know the vision and mission of the Hospital and are well versed with its operations. Please see p. 45 for the employee who will act as salesman.*

This Final Prospectus relates to the primary offer and sale of 36,000 common shares of Allied Care Experts (ACE) Medical Center – Tacloban, Inc. (the “Issuer”) equivalent to 3,600 blocks (consisting of 10 shares per block) at an offer price ranging from P200,000.00 per block up to a maximum offer price of P400,000.00 per block with an aggregate principal amount of One Billion Pesos (P1,000,000,000.00). The securities will be issued upon approval of the Securities and Exchange Commission.

The 3,600 blocks will be offered in tranches, through a series of offerings at an offer price in progressive amounts. The first 1,400 blocks will be sold at the price of P200,000.00 per block, the next 600 blocks at the price of P250,000.00 per block, the next 700 blocks at P300,000 and the remaining 900 blocks at the price of P400,000.00 per block. While the blocks of common shares that will be issued have the same features and privileges (except the privilege to practice, that is available only to Medical Practitioners), the staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: (i) the timing of purchase relative to the completion of the Hospital and its facilities, (ii) the number of applicants the Hospital could serve and accommodate, (iii) the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, (iv) comparable price of similarly situated structure with similar facilities, (v) market demand and (vi) risk undertaken by the original stockholders. As the hospital building rises, the lesser the risk of the investors.

The blocks will be sold, on a first come, first served basis, subject to pre-qualification procedures. Once the maximum number of blocks per series are sold, the next series will be offered at an increased offer price. The offer shares will not be listed in the Exchange and will be issued over the counter only, through registered salesmen.

ACE Medical Center – Tacloban, Inc. expects to raise gross proceeds amounting up to One Billion Pesos (P1,000,000,000.00) and the net proceeds are estimated to be at least Nine Hundred Eighty-Seven Million Eight Hundred Eighty Thousand Eight Hundred Ninety-Five Pesos (P987,880,895.00) after deducting fees, commissions and expenses relating to the issuance of the securities. The net proceeds of the Offer shall be used primarily by the Company to: pay existing loans, complete the construction, development and operation of ACE Medical Center Tacloban (the “Hospital”). For further detailed information on the use of proceeds, see “Use of Proceeds” on page 29 of this Final Prospectus.

Each investor must comply with all laws applicable to it and must obtain the necessary consent, approvals or permission for its purchase, offer or sale under the laws and regulation in force to which it is subject.

The company is organized under the Philippine Law. The Company is authorized to distribute dividends out of its surplus profit, in cash, properties of the Company, shares of stock. Dividends paid in the form of cash or property, are subject to approval of the Board of Directors of the Company. Dividends paid in the form of additional Common Shares are subject to the approval of the Board of Directors and stockholders who own at least two-third (2/3) of the outstanding capital of the company. The Board may not declare dividends as determined by the Board, taking into consideration factors such as implementation of business plans, debt service requirements, operating expenses, budgets, funding of new investments and acquisitions and appropriate reserves and working capital. Refer to page 58 on Dividends and Dividend Policy of this Prospectus.

Unless otherwise, indicated, all information in this Prospectus is as of the date of this Final Prospectus. Neither the delivery of this Final Prospectus nor any sale made pursuant to this Final Prospectus shall, under any circumstances, create implication that the information

contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

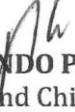
No person has been authorized to give any information or to make any representation not contained in this Final Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company. This Final Prospectus does not constitute an offer or any securities, or any offer to sell or solicitation of any offer to buy any of the securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Before making an investment decision, investor must rely on their own examination of the Company and the terms of the Offer including the risks involved.

The Issuer has included in this Statement all of its representation about this offering. If anyone gives you more or different information, you should ignore it. You should carefully review and rely only on the information in this Statement in making an investment decision. The Investors should be aware that risks and uncertainties might occur.

**ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.**

By:

  
**Dr. FERNANDO P. CARLOS**  
President and Chief Executive Officer

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## **Forward-looking Statements**

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors which may cause actual results, performance or achievements of the Issuer, to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on assumptions regarding the present and future business strategies and the environment in which the registrant will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the ability of the registrant to successfully implement its strategies;
- the ability of the registrant to anticipate and respond to healthcare trends;
- the ability of the registrant to successfully manage its growth;
- the condition and changes in the Philippines, Asian or global economies;
- any future political instability in the Philippines, Asia or other regions;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. Dollar and other currencies;
- changes in government regulations, including tax laws, or licensing requirements in the Philippines, Asia or other regions; and
- competition in the healthcare industries in the Philippines and globally.

Additional factors that could cause actual results, performance or achievements of registrant to differ materially include, but are not limited to, those disclosed under "Risk Factors" and elsewhere in this Prospectus.

These forward-looking statements speak only as of the date of this Prospectus. The registrant expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the expectations of the registrant with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes forward-looking statements, including statements regarding the expectations and projections of the Issuer for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project", "may", "plan", "intend", "will", "shall", "should", "would" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in this Prospectus as to the opinions, beliefs and intentions of the Issuer accurately reflect in all material respects the opinions, beliefs and intentions of the management of the registrant as to such matters at the date of this Prospectus, although the Issuer can give no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from the expectation of the Issuer. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements

## **DEFINITION OF TERMS**

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

<b>"Articles"</b>	The Articles of Incorporation of the issuer
<b>"Board"</b>	The Board of Directors of the issuer collectively referred to as one consisting of fifteen (15) members
<b>"By-Laws"</b>	The By-laws of the issuer
<b>"Corporation"</b>	Refers to ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – TACLOBAN, INC. unless otherwise specifically described in this document
<b>"ACE - Tacloban Hospital"</b>	Refers to ACE Medical Center-Tacloban Hospital
<b>"Director"</b>	The individual membership of the incumbent Board of Directors of the Issuer
<b>"DOH"</b>	Department of Health
Environmental Compliance Certificate "ECC"	Environmental Compliance Certificate is a document issued by the DENR/EMB after a positive review of an ECC application certifying that the proposed project will not cause significant negative environmental impact and the project proponent has complied with all the requirements of the Environmental Impact System, and has committed to implement its approved Environmental Management Plan
<b>"Founder"</b>	Refers to the individual holders of founder share
<b>"Hospital"</b>	ACE Medical Center - Tacloban, or the building referred hereto being built in the name of ACE Medical Center - Tacloban
<b>"Internal Rules"</b>	Refers to the rules and regulations concerning application procedures, availment, use and enjoyment of facilities and services, and all amendments thereto
<b>"Issuer"</b>	The same as Allied Care Experts (ACE) Medical Center-Tacloban, Inc.

"Offer Price"	The price at which the Offer Securities are being offered in tranches to the public as indicated in this Prospectus
"Offer Securities"	Refers to the 36,000 Common shares or 3,600 blocks (1 block is equivalent to 10 shares) of ACE Medical Center-Tacloban, Inc. to be offered for sale to the public, also interchangeably called "Offer Shares"
"Medical Specialist"	A doctor or medical practitioner who has successfully passed the screening process of ACE Medical Center-Tacloban, Inc., in good standing and is admitted/accepted to practice his profession.
"Prospectus"	This document and any supplement or amendments thereto, pertaining to the issuance and sale of the Offer Securities.
"SEC"	Philippine Securities and Exchange Commission
"Stock Certificate"	The written or electronic evidence of ownership of share of stock of ACE Medical Center-Tacloban, Inc.
"Stockholder"	A registered holder of shares of stocks of ACE Medical Center-Tacloban, Inc. He may be a medical practitioner or a non-medical stockholder.

## EXECUTIVE SUMMARY

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Prospectus.*

*Prospective investors should read this entire Prospectus fully and carefully, including the section on "Risk Factors". In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.*

### **Brief Background on the Company**

ACE Medical Center – Tacloban, Inc. is a stock corporation duly organized under the laws of the Republic of the Philippines on December 2, 2014. ACEMCTacloban originally had an authorized capital stock of One Hundred Twenty Million Pesos (120,000,000.00) divided into Six Hundred (600) Founders' shares and One Hundred Nineteen Thousand Four Hundred (119,400) Common shares both with a par value of One Thousand Pesos (P1,000.00) per share.

On May 10, 2018, the Securities and Exchange Commission approved the Issuer's application to increase its authorized capital stock from One Hundred Twenty Million Pesos (120,000,000.00) divided into Six Hundred (600) Founders' shares and One Hundred Nineteen Thousand Four Hundred (119,400) Common shares both with a par value of One Thousand Pesos (P1,000.00) per share to Two Hundred Forty Million Pesos (240,000,000.00) divided into Six Hundred (600) Founders' shares and Two Hundred Thirty Nine Thousand Four Hundred (239,400) Common shares both with a par value of One Thousand Pesos (P1,000.00) per share. As such, as of the date of this Final Prospectus, One Hundred Ninety-Two Thousand (192,000) shares consisting of Six Hundred (600) Founders' shares and One Hundred Forty-Nine Thousand Four Hundred (191,400) Common shares both with a par value of One Thousand Pesos (P1,000.00) per share have been subscribed and One Hundred Thirty-Eight Million Pesos (P138,000,000.00) has been paid up.

### **Core Business**

ACE Medical Center-Tacloban, Inc. was established to maintain, operate, own, and manage hospitals, medical and related healthcare facilities and businesses such as, but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, 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 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.

### **Business Strategies**

It is the mission of ACE Medical Center - Tacloban to set up a Level 2 health care facility with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and justifiable medical services to its clients and stakeholders. ACE Medical Center -Tacloban will be a 10-storey, 152-bed capacity hospital with total floor area of 14,026sq.m. constructed in a 2,153sq.m. property located along National Road, Barangay 78, Marasbaras, Tacloban City. Another property located adjacent and behind the hospital, with a total lot area of 5,643 sq. m., will serve as the parking lot that can accommodate up to 150 cars. It will also serve as the site for Laundry Room, Generator Set

Room, Fire Pump Room, Waste Segregation and ECODAS for treatment of medical waste, Cistern Tank and LPG Room.

The hospital will serve the medical needs of the residents of Tacloban City, especially in Barangay Marasbaras, nearby Barangays and Municipalities, and the whole of Leyte, Samar and Biliran Provinces. It will provide world-class medical facilities that will house medical specialists who are competent and fully qualified in their line of work and equally efficient and well-motivated employees and management staff, some of which are subscribers to the capital stock of the Corporation. The intended and considered markets for its shares are mostly medical specialists and individuals who are related to medical specialists.

The act of purchasing the securities being offered does not automatically entitle such purchaser to practice his profession and use the facilities of ACE Medical Center – Tacloban, Inc., although it is a prerequisite. Physicians and medical specialists who are subscribers to at least one (1) block or ten (10) shares of the capital stock, whether Founders' or common shares, and have paid in full may be allowed to practice.

Such purchasers are also required to pay a one-time, non-refundable, non-transferrable Privilege to Practice (PTP) fee of P150,000.00 which can be paid in installments while they are holding their clinics at the Hospital. They shall then become members of the Active Staff of ACE Medical Center - Tacloban and be entitled to the privileges offered by the Hospital and may be included in the decking/ rotation of House and Walk-in cases with no identified attending physicians. Physicians who are subscribers to at least one (1) block or ten (10) shares of capital stock and have paid in full but will not pay the Privilege to Practice (PTP) of P150,000.00 will become members of the Visiting Staff of ACE Medical Center - Tacloban. Such medical practitioners may be allowed to admit patients but they will not be allowed to hold clinic in the Hospital and will not be included in the decking/ rotation of House and Walk-in cases.

All members of the Active and Visiting Staff of ACE Medical Center – Tacloban, Inc. have to undergo the required screening process and must possess the minimum requirements as indicated in the Articles of Incorporation, By-Laws and Internal Rules of the Hospital. The privilege to practice in the Hospital is subject to restrictions, limitations, and obligations as maybe imposed by ACE Medical Center – Tacloban, Inc. pursuant to its rules and duly approved resolutions. Medical Specialists who have been granted the privilege to practice shall continuously possess the required qualifications and may be subjected to post-qualification assessment to ensure the quality of service provided by the hospital.

ACE Medical Center – Tacloban, Inc. will also collect from each duly admitted medical specialist who holds clinic in the Hospital the monthly dues for utilities effective on the date of turnover. Rental fee for the Doctor's clinic will not be collected anymore.

## **Level 2 Hospital**

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

**A Level 2 Hospital** shall have as minimum, all of Level 1 capacity<sup>2</sup>, including, but not limited to, the following:

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<sup>2</sup>A Level 1 hospital shall have as minimum the services stipulated under Rule V. B. 1. b. 1. of the Order, including, but not limited to, the following: 1. A staff of qualified medical, allied medical and administrative personnel headed by a physician duly licensed by PRC; 2. Bed space for its authorized bed capacity in accordance with DOH Guidelines in

1. An organized staff of qualified and competent personnel with Chief of Hospital/Medical Director and appropriate board-certified Clinical Department Heads;
2. Departmentalized and equipped with the service capabilities needed to support board certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery; their subspecialties and ancillary services;
3. Provision for general ICU for critically ill patients.
4. Provision for NICU (Neonatal Intensive Care Unit)
5. Provision for HRPU (High Risk Pregnancy Unit)
- 6.. Provision for respiratory therapy services;
7. A DOH licensed tertiary clinical laboratory;
8. A DOH licensed level 2 imaging facility with mobile x-ray inside the institution and with capability for contrast examinations.

## **RISK FACTORS**

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in buying of securities.

An investor deals in an investment of which may carry a different level of risks.

1. The following is a summary of all the risks that apply to the Issuer and/or this offering. You should carefully consider these risks prior to investing in this offering.

### **Operating History:**

The Issuer has limited or no operating history because the Issuer may have operated for only a short period of time, it has produced little or no profit. There is no assurance that it will ever produce a profit.

### **Difficulty to collect from patients (select all that apply): Check Box**

<input checked="" type="checkbox"/>	Existing law penalizes the refusal of hospitals and medical clinics to administer appropriate initial medical treatment and support in emergency or serious medical cases.
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*the Planning and Design of Hospitals; 3. An operating room with standard equipment and provision for sterilization of equipment and supplies in accordance with: a. DOH Reference Plan in the Planning and Design of an Operating Room/Theater (Annex A); b. DOH Guidelines on Cleaning, Disinfection and Sterilization of Reusable Medical Devices in Hospital Facilities in the Philippines (Annex B); 4. A post-operative recovery room; 5. Maternity facilities, consisting of ward(s), room(s), a delivery room, exclusively for maternity patients and newborns; 6. Isolation facilities with proper procedures for the care and control of infectious and communicable diseases as well as for the prevention of cross infections; 7. A separate dental section/clinic; 8. Provision for blood station; 9. A DOH licensed secondary clinical laboratory with the services of a consulting pathologist; 10. A DOH licensed level 1 imaging facility with the services of a consulting radiologist; 11. A DOH licensed pharmacy.*

✓	Hospital experience delay in payment from Health Insurance or Health Maintenance Organizations.
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However, the Issuer can mitigate said risk by:

The Issuer mitigates such risk through the acquisition of a P50M loan from Landbank to partially finance permanent working capital for the acquisition of medical/hospital supplies and inventory build-up for medicine and laboratory supplies. Likewise, various Health Maintenance Organizations (HMO) are accredited to cover more patients and increase hospital occupancy. With HMO covered patients, special rates are given to make it more affordable. The Issuer will mitigate delays in payment from HMO's by investing in software programs that will efficiently monitor the Hospital's finances and receivables to ensure that its exposure to unpaid promissory notes is maintained at manageable levels.

**Limited Resources/Losses (select all that apply):**

✓	The Issuer has limited resources and will not be able to continue operating without the proceeds from this offering. It is possible that the proceeds from this offering and other resources may not be sufficient for the Issuer to continue to finance operations. The Issuer expects to continue to experience losses from operations and it cannot be predicted when or if the Issuer will become profitable. If the Issuer achieves profitability, it may not be sustainable.
✓	The Issuer has incurred losses since inception and may incur future losses. The Issuer has not yet generated a profit from operations. As of the date of the most recent financial statements, the Issuer had an accumulated deficit of Php48,312,948 as of March 31, 2019 and Php40,589,270 as of December 31, 2018.

However, the Issuer can mitigate said risk by:

The Issuer mitigates such risk through the availability of the credit line facilities with the Land Bank of the Philippines (LBP) for the total amount of P850,000,000.00 (P400M for hospital building construction, P400M for hospital equipment, furniture & fixtures, and P50M for working capital). As of the date of this Prospectus, about 390,000,000.00 of the loan facility available has been utilized for construction expenses and 119,000,000.00 has been drawn for purchase of hospital equipment and materials.

**Key Personnel**

✓	The Issuer success depends substantially on the services of a small number of individuals
✓	The Issuer may be harmed if it loses the services of these people and it is not able to attract and retain qualified replacements
✓	The Issuer's officers, directors, managers and key persons will continue to have substantial ownership and control over the Issuer after the offering
	The Issuer does not maintain key person life insurance on those individuals on whom the Issuer's success depends. The loss of any of these individuals could have a substantial negative impact on the Issuer and your investments.

However, the Issuer can mitigate said risk by:

Once operational, the Issuer intends to mitigate such risk by maintaining a competitive compensation package and full benefits for its Management and Key Officers. The Human Resources Department will likewise maintain a program that will enhance and develop the career path of key officers and employees to ensure continued stay and loyalty to the Company.

**Inexperienced Management (select all that apply):**

	None of the Issuer's officers, directors, and/or managers has managed a company in this industry. The Issuer's ability to operate successfully may depend on its ability to attract and retain qualified personnel, who may be in great demand.
	None of the Issuer's officers, directors, and/or managers has experience in managing a development stage hospital

However, the Issuer can mitigate said risk by:

	Not Applicable
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**Past Failures**

	Prior to organizing the Issuer, one or more of the Issuer's officers, directors, and/or managers operated a business in which shareholders lost part or all of their investment. The Issuer's ability to operate successfully may depend on its officers, directors, and/or managers to succeed where they have failed before.
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However, the Issuer can mitigate said risk by:

	Not Applicable
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**Government Regulations:**

✓	The Issuer must comply with local and national rules and regulations. If the Issuer fails to comply with a rule or regulation it may be subject to fines or other penalties, or its permit or license may be revoked or suspended. The Issuer may have to stop operation and you may lose your entire investment.
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**Dilution**(select all that apply):

✓	The price of a share in this offering is significantly higher than the book value of the securities. By participating in this offering, you will incur immediate and substantial dilution of the book value of your investment.
	To the extent outstanding options or warrants to purchase securities are exercised, new Investors will incur further dilution of the book value of their investment
✓	There are no limits in place to restrict the Issuer's ability to issue securities in the future. If the Issuer issues additional securities, by participating in this offering you may experience further dilution of the value of your investment.

### No Existing Market

✓	Because there is no market for the Issuer's securities, you may not be able to sell your securities or recover any part of your investment. You should not invest unless you can afford to hold your investment indefinitely.
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### Offering Price:

✓	The offering price of the Issuer's securities has been arbitrarily set and accordingly should not be considered an indication of the actual value of the Issuer.
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### Best-effort Offering:

✓	The Issuer is offering these securities on a "best-effort" basis. The Issuer has <u>not</u> contracted with an underwriter, placement agent, or other person to purchase or sell all, or a portion of its securities and there is no assurance that it can sell all or any of the securities.
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### Lack of Investor Control (select if applicable):

✓	The Issuer's officers, directors, managers, and/or key persons will continue to have substantial control over the Issuer after the offering. As such, you may have little or no ability to influence the affairs of the Issuer.
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### Restriction on the Transfer of Shares

✓	As indicated in the Articles of Incorporation and By-Laws of the Issuer, the ownership of its securities is restricted and is subject to the conditions stated therein. Likewise, the ownership of the shares of ACE Medical Center - Tacloban, Inc. by individuals no matter how many, does not automatically entitle such holder the privilege to practice or use the facilities of ACE Medical Center Tacloban Hospital. The prospective medical practitioner or even the non-medical stockholder has to pass the evaluation and qualifications set forth by the Credentials Committee and the Board of Directors. He has to possess the minimum requirements in order to be allowed to practice and enjoy the privileges of the hospital, including the regular payment of dues. And even if one is already admitted, if he violates the by-laws, internal rules and duly promulgated resolutions of the board, such stockholder may not be allowed to further practice or enjoy the facilities of the Hospital. Of course this will be implemented after observing the basic rule of due process.
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### Political and Economic Factors

✓	In general, the profitability of the Company depends to a large extent on the overall level of business and economic activity in the country, which in turn is affected by political and economic factors. Any political instability in the future may have a negative effect on the industries proposed to be served by the Company.  In the past, the Philippine economy and the securities of Philippine companies have
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been, to varying degrees, influenced by economic and market conditions in other countries, especially in Southeast Asia, as well as investors' responses to those conditions. Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. For example, the recent economic crisis in the United States and Europe triggered market volatility in other countries' markets, including the Philippines. Accordingly, adverse developments in the global economy could lead to a reduction in the demand for, and market price of the Offer Shares.

## **Taxation**

✓	Existing tax rates may increase in the future or existing tax exemptions and deductions may likewise be revoked, adversely affecting the Company's revenues. Similarly such tax rates may decrease or new exemptions and deductions may be created, to the Company's benefit.
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## **Other Risks**

### Risk relating to Hospital Business

- Licenses, permits
- Regulatory risks
- Healthcare infections
- Emergencies/disaster risks
- Government discount programs/collection from Philhealth
- Hazardous material events, e.g. chemical/radiological exposure
- Physician litigation

### Risks to purchasers associated with corporate actions including:

- Additional issuance of securities
- Issuer repurchases of securities
- A sale of the Issuer or of assets of the Issuers
- Transactions with related parties

In addition to the foregoing enumeration, there may be other risks (either unknown to the Company as of the date of this Prospectus or deemed immaterial) which may have an adverse effect on the investment to be made by the prospective buyers.

## **BUSINESS INFORMATION**

### **1. Anticipated Business Plan of the Issuer**

ACE Medical Center - Tacloban will set up a level 2 health care facility with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and justifiable medical services to its clients and stakeholders. ACE Medical Center - Tacloban will be a 10-storey 152-bed capacity hospital with total floor area of 14,026 sq.m. constructed in a 2,153 sq.m. property located along National Road, Barangay 78, Marasbaras, Tacloban City. The Hospital operations will start with 99 beds to minimize on cost and depending on the demand of the market, additional beds will be made available. Based on historical data, bed occupancy begins to rise on the third quarter of operations

and yearly thereafter until its peak when the 152-bed capacity will have been fully operational. As the demand grows the rest of the floors and rooms will be fitted out completely.

ACE Tacloban Hospital will be a world-class medical facility that will house medical specialists who are competent and fully qualified in their line of work, with equally efficient and well-motivated employees and management staff. The intended and considered markets for the Hospital's shares are mostly medical specialists and individuals who are related to medical specialists.

The act of purchasing the securities being offered does not automatically entitle such purchaser to practice his profession and use the facilities of ACE Medical Center – Tacloban, Inc., although it is a prerequisite. Physicians and medical specialists who are subscribers to at least one (1) block or ten (10) shares of the capital stock, whether Founders' or common shares, and have paid in full may be allowed to practice.

Such purchasers are also required to pay a one-time, non-refundable, non-transferrable Privilege to Practice (PTP) fee of P150,000.00 which can be paid in installments while they are holding their clinics at the Hospital. They shall then become members of the Active Staff of ACE Medical Center - Tacloban and be entitled to the privileges offered by the Hospital and may be included in the decking/ rotation of House and Walk-in cases with no identified attending physicians. Physicians who are subscribers to at least one (1) block or ten (10) shares of capital stock and have paid in full but will not pay the Privilege to Practice (PTP) of P150,000.00 will become members of the Visiting Staff of ACE Medical Center - Tacloban. Such medical practitioners may be allowed to admit patients but they will not be allowed to hold clinic in the Hospital and will not be included in the decking/ rotation of House and Walk-in cases.

All members of the Active and Visiting Staff of ACE Medical Center – Tacloban, Inc. have to undergo the required screening process and must possess the minimum requirements as indicated in the Articles of Incorporation, By-Laws and Internal Rules of the Hospital. The privilege to practice in the Hospital is subject to restrictions, limitations, and obligations as maybe imposed by ACE Medical Center – Tacloban, Inc. pursuant to its rules and duly approved resolutions. Medical Specialists who have been granted the privilege to practice shall continuously possess the required qualifications and may be subjected to post-qualification assessment to ensure the quality of service provided by the hospital.

ACE Medical Center – Tacloban, Inc. will also collect from each duly admitted medical specialist who holds clinic in the Hospital the monthly dues for utilities effective on the date of turnover. Rental fee for the Doctor's clinic will not be collected anymore.

## 2. Operations

The Issuer (select all that apply):

<input checked="" type="checkbox"/>	Has never conducted operations
<input checked="" type="checkbox"/>	Is in the construction development stage
<input type="checkbox"/>	Is currently conducting operations
<input type="checkbox"/>	Has shown a profit in the last fiscal year

Briefly describe

As of September 15, 2019, the Hospital Building is 99.12% constructed and estimated to be completed under the following schedule:

- Structural and Architecturalworks is 99.56% constructed and will be completed by end of October 2019.
- Electrical is already 98.12% constructed and will be completed by end of October 2019.
- Plumbing/Sanitary/Fire Protection is 97.89% to be completed by end of October 2019.
- Mechanical work is 100.00% completed.

Building inauguration was held last May 18, 2019.

The facilities to be constructed within the Hospital include the doctors'/dentists' clinic, office area for the HMO, administration office, parking lots, commercial area for coffee shop, elevators, comfort rooms and waiting areas for patients.

3. Jurisdiction: Is the Issuer an entity organized and doing business in the Philippines?

Yes  No

4. Date of Incorporation: **December 2, 2014**

5. Fiscal Year End (Month and Day): **31 December**

**Suppliers:**

The Issuer (select all that apply):

<input checked="" type="checkbox"/>	Has major supply contracts
<input type="checkbox"/>	Is currently or expects to be dependent upon a limited number of suppliers
<input type="checkbox"/>	Has no suppliers

Sources and availability of raw materials and the names of principal suppliers; If the registrant is or is expected to be dependent upon one or a limited number of suppliers for essential raw materials, energy or other items, describe. Describe any major supply contracts.

ACE Medical Center – Tacloban, Inc. has entered into several contracts for the construction of the hospital building. On February 1, 2017, ACE Tacloban executed a contract with **DAKAY Construction and Development Corporation**, whereby the latter shall provide the services of the Contractor for the construction of the Hospital in accordance with the plans and specifications of the Hospital. It shall complete all the civil and structural works required for the completion of the hospital and furnish the necessary labor, supervision, tools, supplies, equipment and materials for the Project.

One of the major supply contracts is with **Shimadzu Philippines Corporation** for the supply of X-ray equipment package. This covers several equipment such as: X-ray High Voltage Generator, X-ray Table, X-ray Tube support assembly, Bucky unit, Canon Digital Radiography and other accessories.

A contract has been executed with **Siemens Healthcare Inc.** for the supply of CT Scan and MRI equipment – Magnetom Sempra with Syngo, Plaza, SomatomGo and Mammomat Fusion.

A contract with **Biosolutions Inc.** has been executed for the sublease of Multi-Specialty Ultrasound Machine and Cardiovascular dedicated Ultrasound Machine. The Package shall be under a financial lease agreement with Biosolutions (leasing company). The leasing company shall be the legal owner of the unit until all payment has been cleared, after which a formal turnover of ownership will be made to ACE Tacloban.

The contract with **Medparc Pharmacy** is for the supply of Manual 3 Cranks Push Button Bed (set).

**Copies of the contracts mentioned above are submitted as part of Exhibit "E" of the Prospectus.**

### **Procurement Policy**

State the procurement policy of the hospital.

A Purchasing Committee is created, the members were appointed by the President.

- The Committee meets regularly, on a weekly/monthly basis, to conduct bidding process depending on the urgency to procure a particular item.
- The Committee invites at least 3 prospective bidders from Tacloban or Manila. Suppliers are asked to submit a quotation on a particular item, through sealed bidding process.
- The Committee will witness the opening of bids, tabulate and analyze through an “apple to apple” comparison and making sure that the item offered is in conformity with the specification/s given.
- The Committee, prior to the awarding of the winning bid, consults first with the end-users to ensure that the item to be purchased will serve its intended purpose.
- The Committee will submit the canvassed items together with the bid analysis/tabulation of the offer to the Executive Committee for further scrutiny and subsequent endorsement to the Board for approval.
- Upon approval of the Board, the Purchasing Committee will prepare the Purchase Order (PO) to be issued to the winning bidder for delivery of the item.

### **Competition**

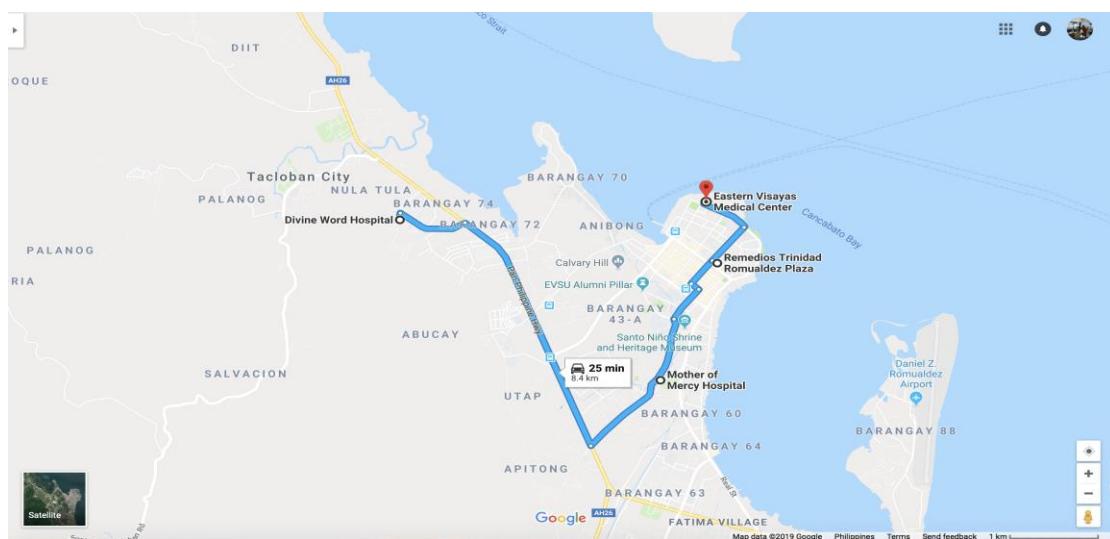
Describe the competition that the Issuer faces, and how the Issuer intends to compete. If the Issuer offers what it considers to be unique good or services, discuss competition from companies that provide similar or substantial goods or services.

Name the Issuer's principal competitors, and indicate their relative size and financial market strengths. Describe the Issuer's strategy, whether to compete by price, service, or some other basis.

The issuer belongs to the industry which caters to the need of the public and medical practitioners for hospital facilities. Over a five-kilometer radius, competitors of ACE Medical Center - Tacloban include the following private hospitals:

NAME OF HOSPITAL	LEVEL	BED CAPACITY	LOCATION/ ADDRESS	FINANCIAL MARKET
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Divine Word Hospital (DWH)	III	150	<ul style="list-style-type: none"> <li>-Located in the heart of the downtown area of Tacloban City</li> <li>- Approximate distance is 2.5 km from ACEMC Tacloban</li> </ul>	<ul style="list-style-type: none"> <li>-Largest and most equipped hospital of Tacloban City.</li> <li>-Funded by the Society of Divine Word (SVD) and operated by the Benedictine Sisters(OSB).</li> <li>-Approximately 50% of patients from Tacloban City and the nearby towns are admitted in this hospital.</li> <li>-Waiting time at the Emergency Room is 12-24 hours on the average due to lack of beds.</li> </ul>
Mother of Mercy Hospital (MMH)	II	75	<ul style="list-style-type: none"> <li>-Located in the downtown area of Tacloban City.</li> <li>-Approximate distance is 1km from DWH and 2 km from ACEMC Tacloban</li> </ul>	<ul style="list-style-type: none"> <li>-Owned and managed by the Sisters of Mercy Congregation.</li> <li>- Approximately 20% of patients from Tacloban City and the nearby towns are admitted in this hospital.</li> <li>-Spillover of patients from DWH are admitted in this hospital.</li> </ul>
Remedios T. Romualdez Hospital (RTRH)	II	100	<ul style="list-style-type: none"> <li>-Located around 1.5km from ACEMC Tacloban</li> </ul>	<ul style="list-style-type: none"> <li>-Owned and managed by the RTR Medical Foundation.</li> <li>-Approximately 30% of patients from Tacloban City and the nearby towns are admitted in this hospital.</li> </ul>
Eastern Visayas Medical Center (EVRMC)	III	500	<ul style="list-style-type: none"> <li>Barangay Cabalawan, Bagacay, Tacloban City, approx 5.6 kilometers from ACEMC-Tacloban</li> </ul>	teaching and training government hospital. It caters the less fortunate or marginalized group in the society.



The strategic location<sup>3</sup> of ACE Medical Center-Tacloban primarily influence the decision of the medical practitioners to subscribe to the shares of stock of the Hospital. Once the Doctor decides where to practice, price and quality of facility plus management come as the next factors. Good location, proximity to patients, reasonableness of the offer price and quality of the facilities enable ACE Medical Center-Tacloban, Inc. to effectively compete with its competitors within the area.

Patients will find a better ambiance with ACE Medical Center-Tacloban due to its carefully planned, designed, constructed hospital building. Its advantage is not simply its newly built structure but it also boasts of world-class facilities and new equipment.

ACE Medical Center-Tacloban will be a one-stop-shop with its latest technology, complete laboratory and imaging facilities such as MRI, CT Scan, Digital X-ray and Mammogram, 2D Echo and Physical & Occupational Therapy and Rehabilitation Facilities and Equipment. Specialized services are also present such as HORIA Center (Hematology, Oncology, Rheumatology, Immunology and Allergology Center), Hemodialysis Center, ENT and Eye Center, Diabetes Center, Poison and Bite Center and Concierge Medicine.

## **Marketing**

Describe how the Issuer plans to market its products or services during the next 12 months, including who will perform these marketing activities

ACEMCTaclobanwill market and offer the securities through its organic salaried employees who will act as salesmen. These organic employees are well aware of the mission and vision of the Hospital and are accustomed with Hospital operations. Management believes that the strategic location of the Hospital, the facilities and the services it will provide, and the people behind the Hospital, are sufficient to entice medical specialists and prospective investors to consider the offer. ACE Tacloban will greatly rely on the salesmen and satisfied patients to spread the word about the facilities the Hospital can offer.

## **Employees**

The Issuer (select all that apply):

	Has existing Labor Union in the company
	Has existing Collective Bargaining Agreement
	Has existing labor strike

Indicate whether or not any of them are subject to collective bargaining agreements (CBA) and the expiration dates of any CBA. If the registrant's employees are on strike, or have been in the past three (3) years, or are threatening to strike, describe the dispute. Indicate any supplemental benefits or incentive arrangements the registrant has or will have with its employees;

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<sup>3</sup>*Strategic Location - where population demographics are high because it is near Robinson's Mall, transportation terminal, church and gas station. The area is very convenient for patients and their relatives in terms of the proximity of health service with other services within the locality. With this, patients prefer to be admitted in ACE Tacloban. Being in the right location is a key ingredient in the success of a business. Photo credits to google maps*

Type of Employees	Number of Current Employees	Expected within the Next 12 months
Medical Support Staff		150
Administrative Staff	4	50
Engineering and Maintenance	3	6
Outsourced		30
Clerical	2	30
<u>Others</u>		<u>10</u>

### Medical Practitioners

Briefly describe the qualifications and criteria to qualify. Disclose the current number of medical practitioners and its expected number within the next 12 months.

Medical Practitioners are Doctors who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of ACE Medical Center Tacloban. The Doctor must be a licensed medical/dental practitioner, a graduate of accredited training hospitals, of good moral character and must have passed the required credentials (per Department), as may be determined by the credentials committee of ACE.

Currently, ACE Medical Center Tacloban has a total of 31 Medical Practitioners that will practice within the hospital. Within the next 12 months, it is expected that the Hospital will accept at least 150more Doctors.

### Properties

The Issuer (select all that apply):

Property	Own	Lease
Land/Building/Real Estate	✓	
Equipment and other long term assets	✓	
Intangible property such as patents, licenses, copyrights, trademarks, etc.		

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and its subsidiaries own. Disclose any mortgage, lien or encumbrance over the property and describe the limitations on ownership or usage over the same. Indicate also what properties it leases, the amount of lease payments, expiration dates and the terms of renewal options. Indicate what properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisition (i.e. by purchase, lease or otherwise) and the sources of financing it expects to use. If the property is being leased, indicate and describe the terms and conditions of the lease.

ACE Medical Center – Tacloban will be a10-storey, 152-bed capacity hospital. Total floor area is around 14,026sq.m. constructed in a 2,153sq.m. property located along National Road, Barangay 78, Marasbaras, Tacloban City.

The property is covered by Transfer Certificate of Title No. 122-2015000303 and Tax Declaration No. 2012-01-0009-09713 registered in the name of Allied Care Experts (ACE) Medical Center – Tacloban, Inc.

Another property located behind and adjacent to the hospital will serve as the parking lot and site for other hospital facilities like the Laundry Room, Generator Set Room, Fire Pump Room, Waste Segregation and ECODAS for treatment of medical waste, Cistern Tank and LPG Room. It has a total lot area of 5,643 sq.m. and is covered by Transfer Certificate of Title No. 122-2018-000738 and Tax Declaration No. 2012-01-0009-10796 registered in the name of Allied Care Experts (ACE) Medical Center Tacloban, Inc.

As of September 15, 2019, construction of the Hospital Building is 99.12% complete. Building inauguration was already done last May 18, 2019.

The Hospital will have the following facilities:

### ***Ground Floor***

The Ground Floor is about 1,288 sq.m. and will house the following facilities:  
Emergency Department with OB-GYN, Minor Operating Room and Poison and Bite center  
Hospital Lobby/Lounge/Admitting Section/ Social Service  
Radiology Department with MRI, CT Scan,Digital R-ray and Mammography  
General Ultrasound  
Pharmacy  
Billing, Cashier and Philhealth  
HMO and Industrial Medicine  
Coffee Shop and a Convenient Store

### ***Second Floor (1,288 sq.m.)***

OR complex with 4 major Surgery rooms  
Recovery Room/PACU (Post Anesthesia Care Unit)  
Cystoscopy and Ophthalmology rooms  
8 bed Intensive Care Unit/Pediatric Intensive Care Unit (PICU) with Isolation room  
Neonatal Intensive Care Unit (NICU)/ Breastfeeding Station/ Newborn Screening Extraction Room  
(2) Normal Delivery Rooms and one (1) Cesarean Delivery Room  
Central Sterile Supply Room

### ***Third Floor (1,288 sq.m.)***

Laboratory Department  
Dental Clinics  
Cardio-Pulmonary Department  
EEG Room  
12-bed Hemodialysis Unit  
Dietary /Diabetes Center  
Canteen  
Endoscopy unit  
OB-GYN Ultrasound

### ***Fourth Floor (1,288 sq.m.)***

136 Doctors' Clinics

***Fifth Floor (1,288 sq.m.)***

80 Doctors' Clinics

HORIACenter(Hematology, Oncology, Rheumatology, Immunology and Allergology)

Chapel

Rehabilitation and Physical Therapy

Ophthalmology Center

ENT Center

Concierge Medicine

***Sixth Floor to Ninth Floor (1,288 sq.m. per floor)***

2 Suite Rooms per floor

21 Single bed private rooms per floor

4 semi-private rooms (2 beds each) per floor

4 bed Ward per floor

1 Isolation Room per floor

1 Nurses Station/1 Prayer Room per floor

***Tenth Floor (1,288 sq.m.)***

Administrative Offices

Board Room

Medical Records Room

Offices of the Clinical Departments

Accounting and Treasury

Auditorium (273 sq.m.)

Chairman's and President's Rooms

***Half Basement (1,288 sq.m.)***

Parking slot with motor pool for ambulance

Engineering Office

Pharmacy and CSR bulk storage

Laundry and linen sorting room

Garbage holding room

Cadaver holding room

Utility Room

Property Custodian

Sewage Treatment Monitoring room

Initially, the hospital will be operating only at 100-bed capacity in order to maximize its manpower complement and resources. This will eventually be increased to maximum bed capacity as the need arises.

## **Legal Proceedings of Company, its Subsidiaries and/or Affiliates**

Describe briefly any material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities or any other entity.

The Issuer is not a party to any legal proceedings, neither is any of its properties the subject of any pending legal proceedings.

## **Government Regulation (select all that apply):**

✓	The Issuer and/or its products/services are subject to material regulation by a government agency.
✓	The Issuer is required to have a license or permit (other than organizational license) to conduct business.
✓	The Issuer has obtained any required licenses or permits to conduct business.

Need for any government approval of principal products or services. If government approval is necessary and the registrant has not yet received that approval, discuss the status of the approval within the government approval process

ACE Medical Center - Tacloban, Inc. has secured the necessary permits to construct the Hospital. This includes Building Permit, Mechanical, Electrical, Plumbing, Fire and Electronics permit, as well as Business permit and BIR registration. The Occupancy Permit was issued by the Office of the Building Official last March 20, 2019. The Fire Permit and the Sanitary Permit were granted last January 4, 2019 and July 16, 2019, respectively.

In the course of its operation, ACE Medical Center – Tacloban, Inc. secured permits and licenses from national and local government entities such as Environmental Compliance Certificate and Hazardous Waste Permit from DENR and Business Permit from BPLO of Tacloban City.

The DOH conducted ocular inspection of the facilities of the Hospital, as well as the pre-operation procedures of ACE Medical Center – Tacloban last June 13, 2019. This is to ensure that the hospital is compliant with the standards of the Department prior to issuance of the LTO. The License to Operate (LTO) was received last July 23, 2019 with License Number 08-0018-19-H2-2 and validity period from July 12, 2019 to December 31, 2019.

## **Services and Departments**

Provide information on hospital departments and their functions. Include personnel overview per department and their functions.

ACE Medical Center – Tacloban will start with a plantilla of services of Level II Non- Training Hospital. The future plan is to apply for Accreditation for Residency Training of the different departments for the purpose of upgrading the hospital services.

## DEPARTMENT OF ANESTHESIA

This department is headed by its Chairman, **Dr. Alma Narido**. The mission of the department is to provide safe, effective, and ethical care to our patients. The Anesthesiology Department shall be responsible for providing all primary anesthesia and pain management services. This includes, but is not limited to, general and regional anesthesia in operating suites, obstetrics, emergency room, radiology and intensive care unit. Anesthesia services shall be available twenty-four (24) hours of the day and night for emergency cases.

Objectives:

- a. Select, implement, and evaluate anesthesia management plans
- b. Implement the anesthesia plan employing the full scope of anesthesia practice to include both general and regional anesthesia
- c. Perform and utilize associated procedures needed during the anesthetic management of the patient
- d. Perform, within medically established guidelines, resuscitation of the newborn infant, child, or adult as the need arises

Manpower Complement:

Department Chairman	:	1
Associate Anesthesiologist	:	4

## DEPARTMENT OF INTERNAL MEDICINE

This department is headed by its Chairman, **Dr. Ma. Pilipinas D. Jaya**. The Department of Internal Medicine includes physicians whose primary role is to provide medical care in the hospital. This team of providers includes physicians, resident physicians and nurse practitioners, who work closely with bedside nurses, social workers, physical therapists and other staff to provide thoughtful, safe, collaborative and effective medical care.

Objectives:

- a. To provide prompt, updated medical care for patients
- b. To maintain a high standard of ethical and professional service in the various fields of Internal Medicine.
- c. To support the continuing medical education programs for the medical staff and paramedical personnel
- d. To develop a residency training program in Internal Medicine with the ultimate goal of accreditation by the Philippine College of Physicians (PCP).
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among medical staff

Manpower Complement

Department Chairman	:	1
Training Officer	:	1
Chief Resident	:	1
Resident Physicians	:	9

## DEPARTMENT OF OBSTETRICS AND GYNECOLOGY

This department is headed by its Chairman, **Dr. Kharen P. Jadloc**. The Department of Obstetrics and Gynecology focuses on women's health and wellness by providing high quality patient care, educating future leaders, and fulfilling innovative research within a highly collaborative environment. It is a leading institution in all aspects of women's health with nationally recognized programs in obstetrics and gynecology, including high-risk pregnancy, reproductive medicine, gynecology, breast disease, contraception and cancer.

Objectives:

- a. To provide prompt, updated obstetrical and gynecologic care for patients
- b. To maintain a high standard of ethical and professional service in the various fields of OB-Gyn.
- c. To support the continuing medical education programs for the medical staff and paramedical personnel.
- d. To develop a residency training program in OB-Gyne with the ultimate goal of accreditation by the Philippine Board of Obstetrics and Gynecology (PBOG).
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among medical staff.

Manpower Complement

Department Chairman	:	1
Training Officer	:	1
Resident Physician	:	4

## DEPARTMENT OF PEDIATRICS

This department is headed by its Chairman, **Dr. La Rhaine G. Viernes**. The Department of Pediatrics promotes the health of children and adolescents with a balanced program that seeks new knowledge through research, provides outstanding educational opportunities, delivers high quality comprehensive clinical care and service, advocates vigorously for children and adolescents, and is responsive to the changing needs of our community and society.

Objectives:

- a. To provide optimum child health care for the Community based on professional skills, knowledge, and experience.
- b. Develop camaraderie, understanding, and unity among consultant staff
- c. Encourage each and every pediatrician to formulate and implement cost effective therapeutic regimens
- d. Plan towards standardization of specific service units to meet the requirements of the PPS- Hospital Accreditation Board for Residency Training program, through which we would be proficient enough to deliver the best medical services to our patients.

Manpower complement

Department Chairman	:	1
Training Officer	:	1
Chief Resident	:	1
Resident Physicians	:	9

## DEPARTMENT OF SURGERY

This department is headed by its Chairman, Dr. Earl Courtney A. Viernes. The department of surgery treats patients both in emergency situations and for scheduled operative procedures. Scopes of services of the department are:

- Inpatient services to patients diagnosed with a disease that requires surgery.
- Provides outpatient treatment for patients in the outpatient surgery clinic.
- Providing subspecialty surgical services to patients in the clinic and beyond
- Subspecialty surgical procedure under general surgery department based on the time or even during an emergency.
- Perform outpatient surgical procedures
- Helping patients to achieve optimal health status while in hospital.

Objectives:

- a. To provide prompt, updated surgical care for patients
- b. To maintain a high standard of ethical and professional **service** in the various fields of surgery.
- c. To support the continuing medical education programs for the medical staff and paramedical personnel
- d. To develop and maintain a residency-training program in General Surgery accredited by the Philippine College of Surgeons.
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among the medical staff

Manpower Complement

Department Chairman	:	1
Training Officer	:	1
Resident Physician	:	5

## CLINICAL PATHOLOGY DEPARTMENT

CPD is headed by **Dr. Everly Joy P. Tobio**. The Department performs pathologic examinations efficiently and accurately in the shortest possible time with the least use of materials and reagents for confirmation of clinical impression, screening, or detection of diseases, for prognosis and for therapeutic management, to aid the physicians in the management of their patients.

The Department caters to the needs of clinical or surgical services of the hospital. It also serves as training field for undergraduate medical students and paramedical personnel. CPD shall assess nosocomial environmental conditions in the hospital.

Manpower complement:

Chief Medical Technologist	:	1
Medical Technologist	:	11
Phlebotomist/Lab. Nurse	:	3
Lab. Orderly	:	1

## RADIOLOGY DEPARTMENT

This Department is headed by **Dr. June Abieras**. It functions under the control of

Radiologists and qualified technical staff. The Department provides diagnostic and therapeutic services for in-patient and out-patients.

The Department shall provide the hospital with high quality radiological services as required for Good Patient Care. These shall be achieved by the adherence to the following criteria:

- All procedures are to be done on a strict basis of clinical priority and confidentiality.
- All services are to be provided only upon the knowledge of the referring physician.
- Adherence to radiation safety shall conform with the guidelines provided by the Radiation Health Office.
- Assistance shall be provided to other hospital departments in the development of optimal clinical diagnosis and management and protocols.
- Prospective clinical research program will be developed.
- Continuing Education Program for all the staff shall be maintained.

Manpower complement:

Radiologist	:	4
Radiologic Technologist	:	9
Medical Clerk	:	2

### INFECTION CONTROL DEPARTMENT

This Department is headed by a Chairman, **Dr. Ma. Pilipinas D. Jaya**. The ICD, through its Chairperson or physician member, has the authority to institute any appropriate control measures or studies and to recommend corrective action within any department, when there is considered to be a danger to any patient or to personnel. The Infection Control Department has the ultimate authority, in the event that there is a question or disagreement in relation to infection control policy or procedure. To facilitate early and complete reporting, the Infection Control Department, Infection Control Practitioner or the Registered Nurse on the patient care unit has the authority to initiate culture and sensitivity testing and institute any appropriate isolation procedures. When any of these actions are taken, the physician responsible for the patient will be notified.

The Department's Objectives are:

- To establish a functional surveillance system for control of nosocomial infections.
- To identify, through the surveillance system, any specific problem areas in need of administrative or professional resolution and report to the medical staff of the hospital.

Manpower Complement:

Infection Control Nurse	:	1
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### TISSUE COMMITTEE

The Tissue Committee is headed by **Dr. Cleocita Parilla-Portula**. This Committee reviews histo-pathological results done on tissues recovered from operations and determines if operations performed were appropriate and discrepancies in pre-operative and post-operative diagnosis.

The Tissue Committee evaluates the report on every piece of tissue surgically removed. When there is consistency among the pre-operative diagnosis, operative diagnosis and pathological diagnosis, the results are tabulated for the purpose of quarterly and annual reports. In those instances of diagnostic and pathological inconsistency, the case is studied in detail. Further evaluation would include a review of the patient's chart and the responsible surgeon has to justify his or her course of action. The results and recommendation are tabulated. Cases presenting unresolved inconsistencies or potential deficiencies in desired standards of care are referred to Executive Committee for further evaluation.

Manpower Complement:

Pathologist	:	1
HistopathTechnologist	:	2

## EMERGENCY DEPARTMENT

The Emergency Room is headed by **Dr. Lourdes C. Agosto**. This department is a vital part of the hospital as it is the first to receive patients needing immediate medical attention, either because of the life-threatening condition, multiple injuries or severity of symptoms. It is especially equipped with the life - saving devices and trained personnel to handle emergency cases.

The Department's Objectives include:

- providing competent emergency care at all times by a team of qualified and experienced Emergency Room personnel
- providing prompt, lifesaving treatment without discrimination
- maintaining the highest standards of emergency care facility.

Manpower Complement:

ER Head	:	1
Staff Nurse	:	15
Orderlies	:	3
Ambulance Driver	:	1

## REHABILITATION MEDICINE AND WELLNESS CENTER

The Rehabilitation Medicine and Wellness Center is headed by **Dr. Liezel Calina- Elefante**. Rehab Department caters to individuals who have impairments, functional limitations, disabilities, or changes in physical function and health status resulting from injury, disease or other causes. By designing and implementing therapeutic interventions that may include, but not limited to pharmacologic management, therapeutic exercises, functional training in self-care and home management, manual therapy techniques, prescription and fabrication of assistive and orthotic devices, electrotherapeutic modalities, physical agents and mechanical modalities, the Rehab. Medicine and Wellness Center alleviates impairment and functional limitations. Cases handled vary from neurological, musculoskeletal, cardiopulmonary and pediatric among others. The patient load will consist of in-patients, out-patients and those who will need domiciliary services.

The Department's main objectives are:

- Establishing a comprehensive treatment plan to restore the patient to his highest

- functional mobility, activities of daily living, community reintegration, workplace requirements and recreation.
- Provision of patient and family education which is a cornerstone to all clinical programs.
- Planning of individualized exercises to increase of daily activities, increase musculoskeletal strength, and maximize cardiovascular fitness.

Manpower Complement:

Rehabilitation Doctor or Physiatrist	-	2
Physical Therapist	-	4
Occupational Therapist	-	1
PT/OT Volunteers	-	6

## PULMONOLOGY DEPARTMENT

This Department is headed by **Dr. Eulogio T. Penalosa**. The Department provides immediate cardio-pulmonary management, as requested by the Physician, that will help lead in the accurate diagnosis of an illness for proper administration of therapeutic procedure.

The Department's Objectives include:

- To deliver official results of the procedures within 24 hours.
- To respond during Code Blue.
- To provide ventilatory support to intubated patient.
- To gradually remove mechanically intubated patient from ventilator.
- To provide accurate pulmonary diagnostic procedure:
  - a. Blood Gas Analysis (ABG)
  - b. Pulmonary Function Test (PFT)
  - c. Peak Expiratory Flow Measurement (PEFR)
- To provide effective pulmonary therapeutic procedures:
  - a. Aerosol Therapy (Nebulization)
  - b. Intermittent Positive Pressure Breathing Therapy (IPPB)

Manpower Complement:

Supervisor, RT	:	1
Respiratory Therapist	:	4

## OUT-PATIENT DEPARTMENT

The Out-Patient Department is headed by **Dr. Ma. Rosita O. Adolfo**. This is a combination of several departments. It is a miniature version of the hospital except that the patient is ambulatory. Physicians with different specializations provide services. Individual patients come to consult or receive treatment, others go back to the physician to assess their progress following discharge from hospital.

Department's Objectives include:

- To be the channel of our foremost goal which is to provide "Quality Service" to our clientele. Their satisfaction is our top most priority.

- To ensure that all patients for consultation are given proper assessment before they are decked to the concerned doctor.
- To ensure that all necessary documents are properly prepared, kept and organized.
- To enhance secretaries' knowledge in handling patients.

**Manpower Complement**

Department Head	:	1
OPD Supervisor	:	1
OPD Clerk	:	2

**ADMINISTRATIVE DEPARTMENT**

The Administrative Department is headed by the Administrator, **Dr. Fe G. Merin**. This Department accommodates complaints of patients and their relatives and other hospital problems/issues. Proper approach is needed in dealing with patient's relatives and hospital staff.

**Objectives:**

- To man the department with qualified and competent staff able to handle and meet the needs & satisfaction of patients being admitted in the hospital.
- To ensure that the staffs' responsibilities & obligations are being observed with quality output and at the same time given job descriptions are properly followed.
- Ensure that the existing policies & regulation of the hospitals pertaining to professional fees, discounts, promissory notes & discharge of patients are properly observed.
- Make sure that less patients will be seeking for social service assistance instead convince & encourage them to settle their bills and or issue collateral prior to discharge.
- To be able to meet all the required assignments of the department within the allowable or least time with quality output.

**Manpower Complement**

Admin Officer	:	1
Asst. to the Admin Officer	:	1
Messenger/Liaison Officer	:	1

**BILLING SECTION**

This section is headed by **Dr. Lourdes C. Agosto**. The Billing Section is one of the major components of hospital operation. This unit is working based on the revenue of the different departments of the hospital. A proper coordination and communication with the Doctors and staff are very vital in this unit.

**Objectives:**

- To provide efficient, accurate computation and fastest service to patient, in accordance with the implementing guidelines and hospital policy.
- To provide good service and customer total satisfaction.
- To improve service to patients in order to shorten the processing of their bills or minimize if not eliminate occurrence of "late bills".

**Manpower Complement**

Billing Supervisor	:	1
Billing Clerk	:	2

### **PHARMACY / THERAPEUTICS DEPARTMENT**

The Hospital Pharmacy is headed by a Chairman, **Dr. Mina Sirikit C. Tagra**. This Department serves as the vital link in the chain of health professionals dedicated to patient care. The Pharmacist will provide at all times an adequate supply of safe effective and good quality drugs in appropriate dosage forms consistent with the needs of the patients and to rationalize drug utilization in collaboration with the medical staff.

Objectives:

- To properly utilize the Pharmacy Service to the maximum geared toward the actual dynamics of better patient care.
- To provide at all times, medications of the highest standard in appropriate dosage forms consistent with needs of the patients in collaboration with the medical staff.
- To rationalize drug utilization and procurement in collaboration with the Pharmacy and Therapeutics Committee.
- To render effective and efficient professional service to in and out patients of all economic levels.
- To maintain an adequate system of stock and inventory control and must have the ability to control operational cost without comprising services.

Manpower Complement:

Chief Pharmacist	:	1
Staff Pharmacist	:	5

### **CENTRAL SUPPLIES DEPARTMENT**

This department is headed by **Dr. Ma. Rosita O. Adolfo**. The CS Department has the following personnel: the department head, the assistant head and four (4) clerks. The department is open twenty-four (24) hours servicing all sectors of the hospital. CSR personnel work forty-eight (48) hours a week and rotate on three (3) shifts- morning, afternoon and night.

The CS department will serve as essential link in the chain of hospital health service dedicated to patient care. The department will provide at all times an adequate supply of safe, effective and quality products for the need of the patients.

Objectives:

- To improve patient care by providing the necessary sterile and un-sterile supplies, articles and equipment in the nursing units and other department of the hospital.
- To provide and maintain products and emergency equipment made safe for patient use.
- To ensure proper sterilization of supplies relevant to hospital procedure.

Manpower Complement:

Department Head	:	1
Assistant Head	:	1
CSR Clerk	:	4

## **SPECIAL SERVICES**

### **POISON AND BITE CENTER**

This center will be headed by **Dr. Maria Lourdes C. Agosto** and **Dr. Earl Courtney A. Viernes**, respectively.

The Poison Center will provide immediate, case-specific guidance and expert treatment to patients exposed to poisonous or hazardous substances both intentional or unintentional.

The Animal and Bite Center is dedicated to offer treatment and care of minor or deep wound, infections and immunizations from suspected rabies carrier. This will also provide patients with recommended management of animal bites to prevent death from rabies infection.

Manpower Complement:

Poison Center Head:1

Animal and Bite Center Head :1

Nurse:1

### **HEMA-ONCO, RHEUMATOLOGY, ALLERGO-IMMUNOLOGY CENTER (HORIA)**

This ambulatory infusion center is headed by **Dr. Esther C. Maderazo**. This facility inside the ACE Medical Center – Tacloban will be the central hub for patients of Hematology, Oncology, Rheumatology and Allergology Sections that would provide out-patient services for patients with chronic illnesses, malignancies or hematologic disorders who are undergoing chemotherapy or immunotherapy, pulse therapies as well as blood transfusions.

The objectives of the Center are the following:

1. To provide continuity of patient care and achieve better control of their disease using an out-patient ambulatory infusion center. This in turn also improves patient compliance as it can closely monitor infusion appointments and appropriate dosing.
2. To improve patient care since they prefer in-office infusion suites over alternate sites due to lower cost share and time requirements.

Manpower Complement:

Medical Specialists (Adult & Pediatric Hematologist, Medical/ Surgical/ Gynecologic Oncologist, Rheumatologist, Adult & Pediatric Immunologist/ Allergist)

Nurses : 2

Receptionist/ Clerk : 1

### **CONCIERGE MEDICINE**

This center is headed by **Dr. Jonathan Moses C. Jadloc**. The Concierge Medicine Hub is a facility within the Hospital where it delivers novel non-traditional Out- Patient Care to a specific group of clientele. This approach is also referred to as the BOUTIQUE Medicine or VIP Medicine. This is supervised by a Physician Founder and manned by Physicians from different specialties and trained staff. It boasts on different care delivery approach wherein variables are looked into closely and implemented. Similarly, this embraces the hospitality approach of health care delivery. Variables taken closely into account are the following:

3. Office Environment and staff
4. Coordination of Care
5. Access to Care

The Hub is specially made to accommodate ACE Medical Center – Tacloban stockholders, corporate partners and Health Maintenance Organization (HMO) card holders. Inside this Hub, it will house the system to issue the LOAs (Letter of Approval) for the HMO clientele. The Hub serves as the coordinator for the different HMO companies as well.

Manpower Complement:

Physician Founder per schedule	:	1
Secretary/Clerk	:	2

### **CENTER FOR DIABETES CARE (CDC)**

This Center is headed by **Dr. Jonathan Moses C. Jadloc**. The goal of this Center is to provide comprehensive and on-going state-of-the-art preventive care through innovative activities which will enable to detect and intervene in the progression of this devastating disease with the general diabetes clientele.

It is the objective of the Center to:

1. Give correct and accurate diagnosis of new diabetic patients
2. Educate them on how to manage their condition, orient with set of tools to monitor levels
3. Help connect with on-line resources
4. Help communicate his condition clearly with his Diabetes Specialist
5. Help understand benefits provided by health plans and community support if available
6. Help in the referrals to other Specialists needed for his care
7. Follow up in the patients' personal visits with the Specialist

Manpower Complement:

Center Head	:	1
Assistant Head	:	1

### **Transactions with and/or dependence on related parties**

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

#### ***Loans Receivables***

The Company granted to its affiliates, Allied Care Experts (ACE) Medical Center-Pateros, Inc. and Allied Care Experts (ACE) Medical Center- Quezon, Inc. loans amounting to Php40,000,000.00 and Php20,000,000.00, respectively with 5.25% interest per annum with principal repayments until 2021. (Please see Note 14 of the December 31, 2018 financial statements) In 2019, the affiliates started making principal payments on their loans. The balance of the receivables as of March 31, 2019 amounted to P35,000,000.00 net of payments of P10,000,000.00 and estimated credit losses of P15,000,000.00

### ***Advances from Shareholders***

This account represents advances made by its shareholders in support of the Company's building construction requirements. These advances are non-interest bearing and to be a paid subject to availability of funds and /or the Board may decide to convert said advances to equity in the distinct future. As of March 31, 2019 and December 31, 2018, advances from shareholders amounted to Php110,957,299 and Php105,516,259, respectively. (Please see Note 14 of 2018 and 2019 AFS)

### **USE OF PROCEEDS**

The figures herein are only estimate and are made under the assumption that allow a significant portion of the Offer Securities will be sold setting aside fortuitous events or acts of men beyond the control of the management of the Issuer.

In the event all the Offer Securities are sold, it will generate maximum gross proceeds of approximately P1,000,000,000.00. The gross proceeds, less transaction expenses, taxes, professional and registration fees, etc. will yield P987,880,895.00 which shall be used to complete the construction, development and operation of the Hospital. An estimate of the net proceeds, assuming the best case and complete sell out of the Offer Securities as currently priced is as follows:

Anticipated Gross Proceeds	<b>P1,000,000,000.00</b>
 Less:	
Registration/Filing Fees	869,105.00
Taxes	10,000,000.00
Legal and Audit Fees	700,000.00
Other Incidental Expenses	550,000.00
Total	12,119,105.00
	<b>P987,880,895.00</b>

In the event that the actual expenses relating to the Offer differ from the above estimates, the net proceeds to the Company from the Offer may be higher or lower than the expected net proceeds set forth above. Any increase or decrease in the net proceeds to the Company shall be addressed by making a corresponding increase or decrease, as the case may be, to the proposed use pro-rata.

In the event the maximum net proceeds of P987,880,895.00 is realized, it will be applied to the purposes mentioned below, in the **estimated** amounts, based on% to the total proceeds that will be raised as follows: (*enumerated in descending order of priority*)

<b>Proposed Use</b>	<b>Amount</b>	<b>%</b>	<b>Est. Period of disbursement</b>
Loan payments (principal and interest)	504,051,648.89	51.02%	3 <sup>rd</sup> Q 2019 – 2020
Medical equipment	262,217,148.00	26.54%	3 <sup>rd</sup> - 4 <sup>th</sup> Q2019
Working Capital	160,650,000.00	16.26%	3 <sup>rd</sup> Q2019 – 1 <sup>st</sup> Q 2020

Construction	11,163,054.11	1.13%	3 <sup>rd</sup> Q 2019
Hospital/Office furniture & fixtures	49,399,044.00	5%	2 <sup>nd</sup> - 3 <sup>rd</sup> Q 2019
Architects and other PFs	400,000.00	0.04%	3 <sup>rd</sup> Q 2019
<b>Total</b>	<b>₱987,880,895.00</b>		<b>100%</b>

Primary use of proceeds will be for Loan Payments. 51.02% of the proceeds is allotted for amortization of interest on loan secured from Land Bank, as well as the principal. This will cover partial payment only as the remaining requirement will be sourced from proceeds of hospital operations.

Another intended use of the proceeds of the IPO is to partially finance theprocurement of medical equipment. 26.54% of the proceeds is allotted for purchase of medical equipment such as CT Scan, X-ray machines, MRI, Anesthesia Machine, Patient Monitors, Defibrillators, etc. Additional funding requirement will be sourced from existing loan facility with LBP amounting to P300M.

Php160.65M or 16.26% shall be used for working capital during the first 7 months of operation. Working Capital shall be used for salaries and other fees as well as initialinventories in the pharmacy, clinical laboratories, central supply, imaging centers, ER,OR andother inventory locations. This will cover the operational expenses of the Hospital. Below is a sample computation of the working capital requirements for 7 months operation.

**WORKING CAPITAL (7 MONTHS OPERATION)**

PARTICULARS	1	2	3	4	5	6	7	TOTAL
SALARIES & WAGES	5,250,000.00	5,250,000.00	5,250,000.00	5,250,000.00	5,250,000.00	7,875,000.00	7,875,000.00	42,000,000.00
BENEFITS	525,000.00	437,500.00	350,000.00	262,500.00	87,500.00	52,500.00	35,000.00	1,750,000.00
HONORARIUM & ALLOWANCES	1,050,000.00	875,000.00	700,000.00	525,000.00	175,000.00	105,000.00	70,000.00	3,500,000.00
TRANSPORTATION & TRAVEL	787,500.00	656,250.00	525,000.00	393,750.00	131,250.00	78,750.00	52,500.00	2,625,000.00
AUDIT & LEGAL FEES	787,500.00	656,250.00	525,000.00	393,750.00	131,250.00	78,750.00	52,500.00	2,625,000.00
PROFESSIONAL & CONSULTANCY FEES	1,181,250.00	984,375.00	787,500.00	590,625.00	196,875.00	118,125.00	78,750.00	3,937,500.00
COURIER & DELIVERY	131,250.00	109,375.00	87,500.00	65,625.00	21,875.00	13,125.00	8,750.00	437,500.00
ADVERTISING & PROMOTION UTILITIES ( ELECTRICITY , WATER, TELEPHONE & INTERNET)	315,000.00	262,500.00	210,000.00	157,500.00	52,500.00	31,500.00	21,000.00	1,050,000.00
TRAINING AND SEMINARS	1,050,000.00	875,000.00	700,000.00	525,000.00	175,000.00	105,000.00	70,000.00	3,500,000.00
MARKETING	3,937,500.00	3,281,250.00	2,625,000.00	1,968,750.00	656,250.00	393,750.00	262,500.00	13,125,000.00
JANITORIAL SERVICES	1,837,500.00	1,531,250.00	1,225,000.00	918,750.00	306,250.00	183,750.00	122,500.00	6,125,000.00
SECURITY SERVICES	2,100,000.00	1,750,000.00	1,400,000.00	1,050,000.00	350,000.00	210,000.00	140,000.00	7,000,000.00
TAXES & PERMITS	6,562,500.00	5,468,750.00	4,375,000.00	3,281,250.00	1,093,750.00	656,250.00	437,500.00	21,875,000.00
WASTE DISPOSAL MANAGEMENT	525,000.00	437,500.00	350,000.00	262,500.00	87,500.00	52,500.00	35,000.00	1,750,000.00
REPAIRS & MAINTENANCE	183,750.00	153,125.00	122,500.00	91,875.00	30,625.00	18,375.00	12,250.00	612,500.00
REPRESENTATION	1,050,000.00	875,000.00	700,000.00	525,000.00	175,000.00	105,000.00	70,000.00	3,500,000.00
INSURANCES	525,000.00	437,500.00	350,000.00	262,500.00	87,500.00	52,500.00	35,000.00	1,750,000.00
WAREHOUSE RENTAL	262,500.00	218,750.00	175,000.00	131,250.00	43,750.00	26,250.00	17,500.00	875,000.00
OFFICE SUPPLIES	787,500.00	656,250.00	525,000.00	393,750.00	131,250.00	78,750.00	52,500.00	2,625,000.00
CSR SUPPLIES	3,937,500.00	3,281,250.00	2,625,000.00	1,968,750.00	656,250.00	393,750.00	262,500.00	13,125,000.00

PHARMACY	1,312,500.00	1,093,750.00	875,000.00	656,250.00	218,750.00	131,250.00	87,500.00	<b>4,375,000.00</b>
RADIOLOGY	2,625,000.00	2,187,500.00	1,750,000.00	1,312,500.00	437,500.00	262,500.00	175,000.00	<b>8,750,000.00</b>
LABORATORY	131,250.00	109,375.00	87,500.00	65,625.00	21,875.00	13,125.00	8,750.00	<b>437,500.00</b>
LAUNDRY	210,000.00	175,000.00	140,000.00	105,000.00	35,000.00	21,000.00	14,000.00	<b>700,000.00</b>
HOUSEKEEPING	105,000.00	87,500.00	70,000.00	52,500.00	17,500.00	10,500.00	7,000.00	<b>350,000.00</b>
<b>TOTAL</b>	<b>40,845,000.00</b>	<b>34,912,500.00</b>	<b>28,980,000.00</b>	<b>23,047,500.00</b>	<b>11,182,500.00</b>	<b>11,434,500.00</b>	<b>10,248,000.00</b>	<b>160,650,000.00</b>

Remaining construction expenses is estimated at P11.16M. Substantial amount of the construction expenses were sourced from the loan facility with LBP.

A small amount of 49M is allocated to partially finance requirement for hospital furniture and fixtures of the different offices such as the Admitting, Administration, Billing, Doctors clinics, Laboratory, etc.

Another use will be for payment of professional fees to Architects and Engineers contracted by the Hospital, amounting to about 400,000.00

The commitment of the major stockholders to fund the construction, development, pre-opening operations and start-up costs of the Hospital, is backed up with credit line facilities from Land Bank of the Philippines totaling to P850,000,000.00 (500M for construction and 300M for equipment, plus 50M for permanent working capital) with initial interest at 5.25% variable with one-time fixing at 6% per annum for 10 years. Maturity date is on January 2026. As of the date of this Prospectus, about 360,000,000.00 of the loan facility available has been utilized for construction expenses and 119,000,000.00 has been drawn for purchase of hospital equipment and materials.

ACE Medical Center Tacloban may also borrow from other financial institutions depending on the situation that will come during the operation period.

As of September 15, 2019, the Hospital Building is at 99.12 % complete and estimated to be completed under the following schedule:

- Structural and Architectural = 99.56 %, to be completed by end of October 2019.
- Electrical = 98.12 %, to be completed by end of October 2019.
- Plumbing/Sanitary/Fire Protection = 97.89 % to be completed by end of October 2019.
- Mechanical is already 100.00% completed.

Building inauguration was held last May 28, 2019.

The facilities to be constructed within the Hospital include the doctors'/dentists' clinic, office area for the HMO, administration office, parking lots, commercial area for coffee shop, elevators, comfort rooms and waiting areas for patients.

As the offer will be made in tranches, the estimate gross proceeds may not be realized at the same time or within a fixed period.

The figures in the **Use of Proceeds** are estimates based on current pricing of the equipment, development costs and operational expenses of the Company. As such, adjustments and/or deviations in the disclosed uses may be made. To the extent that the net proceeds from the Offer are not immediately applied to the above purposes, the Company will invest the net proceeds in short term demand deposits and/or money market instruments. In any event there will be material adjustments or deviations, the Company undertakes to inform the Commission within 30 days prior to its implementation.

Where less than all of the securities to be offered may be sold and more than one use is listed for the proceeds, the registrant shall indicate the order of priority of such purposes and discuss its plans if substantially less than the maximum proceeds are obtained.

If any material amounts of other funds are necessary to accomplish the specified purpose(s) for which the offering is made, the registrant shall state the amounts and sources of such other funds needed.

If the proceeds will be used to pay-off existing debt, disclose the following: \_\_\_\_\_ Not Applicable

Name of Debtor	Amount of Debt	Interest	Maturity Date
Land Bank of the Philippines	P500,000,000.00	5.25% variable with one-time fixing at 6% p.a.	January 2026
Land Bank of the Philippines	P350,000,000.00	5.25% variable with one-time fixing at 6% p.a.	7 years from first drawdown
<b>T O T A L</b>	<b>P850,000,000.00</b>		

ACE Medical Center Tacloban, Inc. secured a loan from Land Bank of the Philippines on July 29, 2015. Principal amount is P500,000,000.00 with initial interest at 5.25% variable with one-time fixing at 6% per annum for 10 years. Maturity date is on January 2026. Another loan facility was secured on October 15, 2018 for the amount of P350,000,000.00 (300M for hospital equipment, furniture& fixtures and 50M for working capital) subject to floating rate or fixed rate, available one year from date of signing of the loan agreement, for a term of seven (7) years from date of initial drawdown.

As of the date of this Prospectus, about 360,000,000.00 of the loan facility available has been utilized for construction expenses and 119,000,000.00 has been drawn for purchase of hospital equipment and materials.

Is the debtor related to the Issuer or any of its Directors or Officers? \_\_\_\_\_ Yes  No

If the answer to any of the above is "yes", disclose the relationship between each person and the issuer and the principal terms of each transaction. If assets were acquired from a person, disclose the cost of the asset to the issuer and the method used to determine this cost. Disclose for each person who has been involved in more than one related party transaction, their relationship with the issuer and which of the transactions they have been involved with.

If the proceeds will be used to purchase real estate property? \_\_\_\_\_ Yes  No  Not Applicable

(Provide information on each property acquired)

Description of Property	
Name of Seller	
Acquisition Cost	
Terms of Payment	

If the answer to any of the above is "yes", disclose the relationship between each person and the issuer and the principal terms of each transaction. If assets were acquired from a person, disclose the cost of the asset to the issuer and the method used to determine this cost. Disclose for each person who has been involved in more than one related party transaction, their relationship with the issuer and which of the transactions they have been involved with.

If any material amount of the proceeds is to be used to acquire assets or finance the acquisitions of other businesses, describe the assets or businesses and identify the persons from whom they will be bought. State the cost of the assets and, where such assets are to be acquired from affiliates of the registrant or their associates, give the names of the persons from whom they are to be acquired and set forth the principle followed in determining the cost to the registrant.

If the proceeds will be used for the construction of the hospital, provide the following:

Project Name	ACE Medical Center - Tacloban Hospital
Project Cost (Estimate)	P800,000,000.00
Schedule of Disbursement	2019
Target Completion Date	4 <sup>th</sup> Q 2019
Percentage Completed	99.12% (as of September 15, 2019)

9. If proceeds to this offering is not sufficient to fund the intended use, where will the company source the additional funding? Not Applicable

ACE Medical Center Tacloban, Inc. secured a loan from Land Bank of the Philippines on July 29, 2015. Principal amount is P500,000,000.00 with initial interest at 5.25% variable with one-time fixing at 6% per annum for 10 years. Maturity date is on January 2026. Another loan facility was secured on October 15, 2018 for the amount of P350,000,000.00 (300M for hospital equipment, furniture& fixtures and 50M for working capital) subject to floating rate or fixed rate, available one year from date of signing of the loan agreement, for a term of seven (7) years from date of initial drawdown.

## **DESCRIPTION OF SECURITIES OFFERED**

### **Securities of the Registrant**

10. The securities being offered are (select all that apply):

	Founder's Shares
✓	Common Shares
	Preferred Shares
	Others (specify):

- (a) State the amount of capital stock of each class issued or included in the shares of stock to be offered.
- (b) If the registrant is offering common equity, describe any dividend, voting and preemption rights.
- (c) If the registrant is offering preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

ACE Medical Center – Tacloban, Inc. is registering the following shares: **600** Founders' shares, **191,400** common shares (all issued and outstanding) and **36,000** common shares equivalent to **3,600** blocks (10 shares per block) which will be offered for sale to the public by way of primary offering, in tranches at the following rates:

First 1,400 blocks of common shares at a maximum offer price of P200,000.00 per block, the next 600 blocks at a maximum offer price of P250,000.00 per block, the next 700 blocks at a maximum offer price of P300,000.00 per block and the remaining 900 blocks at a maximum offer price of P400,000.00 per block.

Only 3,600 blocks will be offered to the public, and sold primarily to Medical Practitioners who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of ACE Medical Center - Tacloban, Inc. Other purchasers may be non-medical practitioners who are related to medical practitioners and those who intend to purchase the shares purely for investment purposes.

The common shares/blocks that will be offered will qualify the medical shareholder to practice at the Hospital, subject to pre-qualification procedures, aside from earning dividends as may be declared by the Board.

#### RIGHTS AND RESTRICTIONS

The ownership of the Offer Securities is subject to the following rights and restrictive conditions

1. The transfer, or otherwise disposal of shares shall observe the following priorities:
  - a. First Priority- to the corporation which must exercise its option within thirty (30) days from date of receipt of the written offer by the Secretary of the corporation.
  - b. Second Priority- to the holders of Founder's Shares, who must exercise the option within the same period of thirty (30) days from date of receipt of the written offer by the Secretary of the corporation.
  - c. Third Priority- to holders of Common shares who must likewise exercise the option within a period of thirty (30) days from date of receipt of the written offer by the Secretary of the corporation.

d. Fourth Priority- to outsiders who must likewise exercise the option within a period of thirty (30) days from the date of receipt of the written offer by the Secretary of the corporation.

The foregoing restrictions shall not apply to the dispositions by the stockholder by will, donation, inheritance, bequest and related transfer of said shares.

Any transfer of a share of the capital stock in violation of the foregoing provisions shall be null and void and shall not be transferrable in the books of the Corporation.

11. These securities have (select all that apply):

<input checked="" type="checkbox"/>	Cumulative voting rights
<input checked="" type="checkbox"/>	Pre-emptive rights to purchase any new issue of securities
	Preference as to dividends or interest
	Restrictions on dividends or other distributions
	Preference over liquidation
	Anti-dilution
	Conversion rights
	Other special voting rights
	Other special rights or preference (specify):

(a) Describe any other material rights of common or preferred stockholders.

(b) Describe any provision in the charter or by-laws that would delay, defer or prevent a change in control of the registrant.

**Cumulative Voting.** Common shareholders are entitled to vote during the Annual Meeting. Each Shareholder shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Hospital for as many persons as there are directors to be elected. Each shareholder shall have the right to cumulate said shares and give one (1) nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a shareholder shall not exceed the number of his shares multiplied by the number of directors to be elected.

**Pre-emptive Right.** The right of a shareholder in a corporation to have the first opportunity to purchase a new issue of stock of that corporation in proportion to the amount of stock already owned by the shareholder.

All holders of common shares shall enjoy pre-emptive right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings

12. Source of the aforementioned shares offered for sale (select all that apply):

<input checked="" type="checkbox"/>	Primary (from the unissued portion of the Authorized Capital Stock)
	Secondary Selling Shareholders

### Secondary Offering

13. If any of the securities to be registered are to be offered for the account of shareholder, name each such security holder, indicating the following:  Not Applicable

Name of Selling Shareholder	Class of Securities Offered	No. of Shares Offered for Sale	Offer Price	Issue Value

14. The selling shareholder/s (select all that apply):

<input type="checkbox"/>	Certifies as to the accuracy of any part of the registration statement contributed to
<input type="checkbox"/>	Certifies that he/she are the legitimate beneficial owner of the securities.

15. Are these securities are to be registered under a delay or continuous offering?

Yes  No

The 3,600 blocks will be offered via continuous offering in tranches, through a series of offerings at an offer price in progressive amounts. The first 1,400 blocks will be sold at the price of P200,000.00 per block, the next 600 blocks at the price of P250,000.00 per block, the next 700 blocks at P300,000 and the remaining 900 blocks at the price of P400,000.00 per block. While the blocks of common shares that will be issued have the same features and privileges (except the privilege to practice, that is available only to Medical Practitioners), the staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: (i) the timing of purchase relative to the completion of the Hospital and its facilities, (ii) the number of applicants the Hospital could serve and accommodate, (iii) the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, (iv) comparable price of similarly situated structure with similar facilities, (v) market demand and (vi) risk undertaken by the original stockholders. As the hospital building rises, the lesser the risk of the investors.

The blocks will be sold, on a first come, first served basis, subject to pre-qualification procedures. Once the maximum number of blocks per series are sold, the next series will be offered at an increased offer price. The offer shares will not be listed in the Exchange and will be issued over the counter only, through registered salesmen.

### **Recent sale of Unregistered or Exempt Securities**

Furnish the following information as to all securities of the registrant sold by it within the past three (3) years which were not registered under the Code. Include sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities. Indicate whether the issuer received written confirmation from the Commission under SRC Rule 10.1 that such exemptive relief from registration was available and, if so, the date such confirmation was issued:

Class of Securities Sold	Purchasers	Consideration	Exemption from Registration Claimed
increase in ACS – common shares	Existing shareholders	Cash	Exempt pursuant to SRC Section 10.1 (i)
	52 new investors		Not exempt

### **Determination of the Offer Price**

Discuss the various factors considered in determining the offering price of the securities for registration.

The following factors may be relevant to the price at which the securities are being offered: after-tax earnings, price/earnings multiple, net tangible bookvalue per share.

The staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: the timing of purchase relative to the completion of the Hospital and its facilities, the number of applicants the Hospital could serve and accommodate, the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, comparable price of similarly situated structure with similar facilities, market demand, risk undertaken by the original stockholders, the exclusive and premium nature of the Hospital and its intended patients and the acceptability of the pricing strategy to the current market.

The breakdown of the Offer Price is presented as follows:

<u>Series</u>	<u>Number of Blocks of Common Shares</u>	<u>Maximum Proposed Selling Price per block</u>
1 <sup>st</sup>	1,400 blocks	P200,000 per block
2 <sup>nd</sup>	600 blocks	P250,000 per block
3 <sup>rd</sup>	700 blocks	P300,000 per block
4 <sup>th</sup>	900 blocks	P400,000 per block

## **Dilution**

Where common equity securities are being registered and there is a substantial disparity between the public offering price and the effective cash cost to officers, directors, promoters and affiliated persons of common equity acquired by them in transactions during the past five (5) years, or which they have the right to acquire, and the registrant is not subject to the reporting requirements of Section 17 of the Code immediately prior to filing of the registration statement, there shall be included a comparison of the public contribution under the proposed public offering and the effective cash contribution of such persons. In such cases, and where common equity securities are being registered by a registrant that has had losses in each of its last three fiscal years, or from inception if shorter, and there is a material dilution of the purchasers' equity interest, the following shall be disclosed:

- (1) The net tangible book value per share before and after the distribution. For this purpose, net tangible book value means total assets (exclusive of copyrights, patents, goodwill, research and development costs, pre-operating costs, and similar intangible assets) minus total liabilities.
- (2) The amount of the increase in such net tangible book value per share attributable to the cash payments made by purchasers of the shares being offered; and
- (3) The amount of the immediate dilution from the public offering price which will be absorbed by such purchasers.

The net tangible book value of the Company as of December 31, 2018 was ₱115,756,154 or ₱838.81 per share or ₱8,388.1 per block, which represents the amount of the Company's total assets (excluding intangible assets) less its total liabilities. The Company's net tangible book value per share represents the net tangible book value divided by the number of Common Shares outstanding.

After giving effect to the increase in the Company's total assets to reflect the receipt of the net proceeds from the Offer, estimated to be ₱987,880,895, and the addition of 36,000 new Common Shares subject of the Offer, the Company's adjusted net tangible book value would be ₱1,103,637,049 or ₱6,342.74 per share or ₱63,427.4 per block. This represents an increase of ₱5,503.93 per share or ₱55,039.3 per block to the existing shareholders and an average dilution of ₱21,435.04 per share or ₱214,350.4 per block to the investors participating in the Offer.

The dilution in the book value per share represents the estimated difference between the Offer Price and the approximate adjusted tangible book value per share immediately following the completion of the Offer.

The following table illustrates dilution on a per share basis based on the Series of Offer Prices:

	<b>Existing Stockholders</b>	<b>1,400 blocks</b>	<b>600 blocks</b>	<b>700 blocks</b>	<b>900 blocks</b>
Offer Price per share	₱1,000.00	₱20,000.00	₱25,000.00	₱30,000.00	₱40,000.00
Net tangible book value per share, December 31, 2018 (₱115,756,154 /138,000 shares)	₱838.81	-	-	-	-
Net tangible book value per share, after Offer (₱1,103,637,049 / 174,000 shares)	₱6,342.74	₱6,342.74	₱6,342.74	₱6,342.74	₱6,342.74

Increase (dilution) per share	₱5,503.93	(₱13,657.26)	(₱18,657.26)	(₱23,657.26)	(₱33,657.26)
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	Existing Stockholders	1,400 blocks	600 blocks	700 blocks	900 blocks
Offer Price per block	₱10,000.00	₱200,000.00	₱250,000.00	₱300,000.00	₱400,000.00
Net tangible book value per block, December 31, 2018 (₱115,756,154 /13,800 blocks)	₱8,388.1	-	-	-	-
Net tangible book value per block, after Offer (₱1,103,637,049 /17,400 blocks)	₱63,427.4	₱63,427.4	₱63,427.4	₱63,427.4	₱63,427.4
Increase (dilution) per block	₱55,039.3	(₱136,572.6)	(₱186,572.6)	(₱236,572.6)	(336,572.6)

The net tangible book value of the Company as of March 31, 2019 was ₱112,749,976 or ₱817.03 per share or ₱8,170.3 per block, which represents the amount of the Company's total assets (excluding intangible assets) less its total liabilities. The Company's net tangible book value per share represents the net tangible book value divided by the number of Common Shares outstanding.

After giving effect to the increase in the Company's total assets to reflect the receipt of the net proceeds from the Offer, estimated to be ₱987,880,895, and the addition of 36,000 new Common Shares subject of the Offer, the Company's adjusted net tangible book value would be ₱1,100,630,871 or ₱6,325.46 per share or ₱63,254.6 per block. This represents an increase of ₱5,508.44 per share or ₱55,084.4 per block to the existing shareholders and an average dilution of ₱21,452.31 per share or ₱214,523.1 per block to the investors participating in the Offer.

The dilution in the book value per share represents the estimated difference between the Offer Price and the approximate adjusted tangible book value per share immediately following the completion of the Offer.

The following table illustrates dilution on a per share basis based on the Series of Offer Prices:

	Existing Stockholders	1,400 blocks	600 blocks	700 blocks	900 blocks
Offer Price per share	₱1,000.00	₱20,000.00	₱25,000.00	₱30,000.00	₱40,000.00
Net tangible book value per share, March 31, 2019 (₱112,749,976 / 138,000 shares)	₱817.03	-	-	-	-
Net tangible book value per share, after Offer (₱1,100,630,871 / 174,000 shares)	₱6,325.46	₱6,325.46	₱6,325.46	₱6,325.46	₱6,325.46

Increase (dilution) per share	₱5,508.44	(₱13,674.54)	(₱18,674.54)	(₱23,674.54)	(₱33,674.54)
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	Existing Stockholders	1,400 blocks	600 blocks	700 blocks	900 blocks
Offer Price per block	₱10,000.00	₱200,000.00	₱250,000.00	₱300,000.00	₱400,000.00
Net tangible book value per block, March 31, 2019 (₱112,749,976/13,800 blocks)	₱8,170.3	-	-	-	-
Net tangible book value per block, after Offer (₱1,100,630,871 /17,400 blocks)	₱63,254.6	₱63,254.6	₱63,254.6	₱63,254.6	₱63,254.6
Increase (dilution) per block	₱55,084.4	(₱136,745.4)	(₱186,745.4)	(₱236,745.4)	(₱336,745.4)

Stockholder	Before the Offer			After the Offer		
	Class	Number of Shares	Percentage	Class	Number of Shares	Percentage
Enriquez, Amado Manuel Jr. C.	Founder	70	11.67%	Founder	70	9.82%
	Common	22,330		Common	22,330	
	Total	22,400		Total	22,400	
Caboboy, Francisco P. Jr.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Camenforte, Ma. Lourdes Lina L.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Cerna-Lopez, Geanie A.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Carlos, Fernando P.	Founder	40	6.67%	Founder	40	5.61%
	Common	7,960		Common	7,960	
	Total	12,800		Total	12,800	
Enriquez, Miguel Antonio R.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Jadloc, Jonathan Moses C.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Samoy, Marietta T.	Founder	20	3.33%	Founder	20	2.81%
	Common	6,380		Common	6,380	
	Total	6,400		Total	6,400	
Merin, Fe G.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Nuevas, Nimfa L.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	

Tagra, Mina Sikrit C	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Nolasco Felix P.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Orillaza, Generoso M.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Ty, Florentina	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Viernes, La Rhaine G.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Zozobrando, Evangeline Y.	Founder	10	1.67%	Founder	10	1.40%
	Common	3,190		Common	3,190	
	Total	3,200		Total	3,200	
Other Stockholders (34)	Founder	340	56.67%	Founder	340	47.72%
	Common	108,460		Common	108,460	
	Total	108,800		Total	108,800	
Public	Founder	-	0.00%	Founder	-	15.79%
	Common	-		Common	36,000	
	Total	-		Total	36,000	

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective investor must rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

### Terms and Conditions of the Offer

Issue Size	P1,000,000,000.00
Offer Shares	36,000 shares for a minimum subscription of 10 shares
Offer Period	From approval until fully subscribed
Terms and Manner of Payment	Cash/installment
Eligible Applicant	Medical specialists, relatives of medical specialists, the public
Restriction on Ownership	None
Documentary Requirements:	
Corporate Applicants	N.A
Institutional Applicants	N.A

Right to Accept, Reject and Scale Down Applications	<p>The act of purchasing the securities being offered does not automatically entitle such purchaser to practice his profession, use the facilities and enjoy the privileges of a stockholder of ACE Medical Center-Tacloban, Inc., although it is a prerequisite. Physicians who are subscribers to at least one (1) block or ten (10) shares of the capital stock and have paid in full may be allowed to practice. Such purchasers have to undergo the required screening process and must possess the minimum requirements as may be determined by the Hospital. After successfully passing this process, the applicant shall then be entitled to the privilege to practice in ACE Medical Center-Tacloban Hospital, subject to restrictions, limitations, and obligations as may be imposed by the Hospital pursuant to its rules and duly approved resolutions. Medical practitioners who have been granted the right to practice shall continuously possess the required qualifications and may be subjected to post-qualification assessment to ensure the quality of service provided by the hospital.</p>
Refunds	<p>In the event the project for which the securities of ACE Medical Center- Tacloban, Inc. are sold, is for any reason, not completed within the periods stated in the prospectus, It shall refund the amount of investments of purchasers within ten (10) business days from receipt of written demand.</p>
Issuance and Transfer Taxes	<p>Revenue Regulations No. 9-2018 signed by Finance Secretary Carlos G. Dominguez III and Internal Revenue Commissioner Caesar R. Dulay contained the guidelines implementing the increase in stock transfer tax provided in Section 39 of Republic Act No. 10963 or the TRAIN Law.</p> <p>There shall be levied, assessed and collected on every sale, barter, exchange, or other disposition of shares of stock listed and traded through the local stock exchange other than the sale by a dealer in securities, a tax at the rate of six-tenths of 1 percent [0.6 percent] of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed which shall be paid by the seller or transferor</p> <p>Documentary Stamp Tax (DST). Upon the original issuance of the ACE Medical Center- Tacloban, Inc. shares, DST will be imposed at a rate of P2.00 for every P200 or a fractional part of the par value of the shares to be issued. In case of no par value, it shall be based on the actual consideration or in case of stock dividends based on the actual value of</p>

	<p>each share. DST is payable on or before the 5th day of the month following the corporation's acceptance of the stock subscription. The secondary transfer of ACE's shares is subject to documentary stamp tax at a rate of P1.50 on each P200 or fractional part thereof of the par value of the share transferred. In case of no par value, 50% of the DST paid upon original issuance thereof.</p> <p>Tax on Capital Gains on the subsequent sale of the ACE shares is subject to Capital Gains Tax. Subsequent sale of non-listed shares in a domestic corporation by individuals and domestic corporations are now subject to 15% capital gains tax under the TRAIN Law. Dividend income of an individual citizen and a resident alien received from domestic corporations is subject to 10% final withholding tax. Dividends received by domestic and resident foreign corporations from another domestic corporation are exempt from income tax.</p> <p>Tax on Interest Income. Interest income earned and received by ACE Medical Center- Tacloban, Inc. from peso savings accounts/time deposits is subject to 20% final withholding tax. Interest on certain time deposits of individuals with a term of at least five years may be exempt from final tax. On the other hand, interest on foreign currency deposits of resident individuals and domestic corporations is subject to 15% final withholding tax, as recently amended by the TRAIN Law. Interest income on foreign currency deposits of resident foreign corporations remains subject to 7.5% final withholding tax. Interest income from bonds considered deposit substitutes are also subject to 20% final withholding tax.</p>
Restriction on the Issuance and Disposal of Shares	<p>The transfer, or otherwise disposition of shares of stocks of the corporation shall likewise be subject to the following priorities: a. First Priority-to the corporation which must exercise its option within thirty (30) days from date of receipt of the written offer by the Secretary of the Corporation; b. Second Priority- to the holders of Founder's Shares, who must exercise its option within thirty (30) days from date of receipt of the written offer by the Secretary of the Corporation; c. Third Priority- to holders of common shares who must exercise its option within thirty (30) days from date of receipt of the written offer by the Secretary of the Corporation; d. To outsiders who must likewise exercise its option within thirty (30) days from date of receipt of the written offer by the Secretary of the Corporation.</p>

Trading of Securities	The shares will be traded over-the-counter
Others	None

### **Benefits and/or Privileges**

16. Does the company provide benefits and/or privileges to its medical and non-medical stockholders?

Disclose in details the benefits and/or privileges

The Company only provides the following Management Discounts –

#### **I. STOCKHOLDERS & SPOUSE**

1. Free board and lodging for 45 days in a designated room (depending on room availability), on a first-come-first serve basis and as defined by shareholder's base ACE Hospital. The duration of the free board and lodging is non-cumulative, non-refundable and nontransferable.

2. Guaranteed house care rate discounts on professional fees during confinement and OPD consultation as defined by the shareholder's base ACE hospital.

3. No operating room, delivery room, and emergency room fees (Pharmacy and Supply with Pay)

4. Fifty percent (50%) discount on the following, excluding doctors' PF and reader's fee, excluding out-sourced procedures and tests

4.1. Plain X-ray, CT Scan, MRI, UTZ, Mammography (contrast not included). Routine Laboratory Procedures (excluding send- out laboratory procedures)

4.2 EEG, ECG, Tread Mill, 2D-Echo

4.3 Physical Therapy for the designated number of sessions

d. EEG, ECG, Tread Mill, 2D Echo;

e. Physical Therapy

5. Ten (10%) discount for pharmacy, CSR and OR materials excluding MDRP medicines (\*Standardized rates as set by DOH)

No operating room, delivery room and emergency room fees

6. For dental services:

a. Discounts on Dental Consultations as defined by the shareholder's Base ACE Hospital

b. Thirty percent (30%) discount on Restorative, Preventive, Periodontics, Endodontics, Surgery and Bleaching;

c. Ten percent (10%) discount on Prosthodontics procedures

#### **B. Medical Stockholders**

a. May hold clinic within the hospital with the privileges defined by the medical shareholder's base ACE Hospital;

b. May be included in the decking/rotation of House Cases.

This privilege to practice is subject to the following conditions:

- Full payment of a minimum holding of one (1) block of shares (equivalent to

ten (10) common shares)

- Conditions for Privilege to Practice are defined by the medical shareholder's base ACE Hospital
- The stockholder must be a graduate of an accredited residency training program subject to the approval by the Credentials Committee
- Agreement to provide the discounts on professional fees to Stockholders as mentioned in the Management Discounts and Privileges of Stockholders

## **II. STOCKHOLDERS' NATURAL PARENTS and DEPENDENTS' DISCOUNTS –**

1. Fifty percent (50%) discount on board and lodging for 45 days in a standard private room upgradable to suite room accommodation with corresponding fees.
2. Guaranteed house case rate discounts on professional fees during confinement and OPD consultation.
3. Fifty percent (50%) discount in operating room, delivery room and emergency room fees (Pharmacy and supply with Pay).
4. Twenty-five percent (25%) discount on the following, excluding doctor's PF and reader's fee, excluding out-sourced procedures and tests:
  - \* Plain X-ray, CT Scan, MRI, UTZ, Mammography (contrast not included)
  - Routine Laboratory procedures (excluding send-out laboratory procedures)
  - \* ECG, EEG, Tread mill, 2D Echo
  - \* Physical Therapy for the designated number of sessions
5. Ten percent (10%) Discount on Pharmacy, CSR & OR materials excluding MDRP medicines \* (\* standardized rates as set by DOH)
6. For Dental Services:
  - \* Discounts on Dental Consultations as defined by the shareholder's base ACE Hospital
  - \* Thirty percent (30%) discount on Restorative, Preventive, Periodontics, Endodontics, Surgery and Bleaching;
  - \* Ten percent (10%) discount on Prosthodontics procedures;

## **III. PORTABILITY (EXTENDED DISCOUNTS)**

1. These management discounts , using the schedule of discounts given to dependents (see number II), may be availed of by the principal investor, his/her spouse, dependents and natural parents in all medical facilities that are members of, or affiliated with, the ACE Group of Hospitals such as ACEMCs Valenzuela, Baliwag, Baypointe (Subic), Pateros, Quezon City, Bohol, Cebu, Iloilo, Tacloban and Dumaguete and other ACE hospitals who signed the Memorandum of Agreement as members of the ACE Group of Hospitals. However, such availment shall depend on the internal policy of the ACEMC concerned and provided that the granting of such discount shall not jeopardize the financial position of such hospital.
2. Medical stockholders may have the privilege to avail management discount, subject to pertinent credentialing policies and requirements to admit and /or manage parties in the ACEMCs.

#### IV. LIMITATIONS

- A. Management discounts shall be limited to the stockholder, his/her spouse and dependents whom he/she has identified and/or recognized through the following supporting documents:
  - a. Marriage certificate (for married stockholders)
  - b. Birth certificate and such pertinent documents as may be required
- B. Health insurance benefits, of whatever kind or nature, or other health-related entitlements granted by law or contract, whenever applicable, shall be deducted first before determining the amount subject to discounts under the above schedule of benefits.
- C. The management discounts mentioned above are not cumulative and cannot be enjoyed together with other discounts. In case the Stockholder/Dependent is entitled to discounts granted by law, the Stockholder/Dependent shall choose the discount that he wants to avail himself of. Thus, the discount privilege on Rooms, Pharmacy, CSR and OR materials mentioned above cannot be subjected to additional discounts available to senior citizens and disabled persons under the law. Should the senior citizen or disabled person choose the discount granted by law, he is no longer entitled to the discount granted to a stockholder and the discounts granted by law shall be computed on the basis of the regular prices at which the medicines and supplies are sold to the general public. **No double discounts. Higher discount will prevail.**

#### Investor Restrictions

The aggregate amount of securities purchased from one or more Issuers offering or selling securities under the registration statement during the 12-month period preceding the date of the sale, together with the securities to be sold by the Issuer to the Investor:

17. Is the offering subject to any other Investor restrictions?  Yes  No

18. Are the securities subject to any other resale restrictions by the Issuer?  Yes  No

*Please see Rights and Restrictions on page 35.*

#### PLAN OF DISTRIBUTION

19. List the persons or companies who will offer and sell the securities on behalf of the Issuer:

Name	Relationship to Issuer	Address	Tel. No.	Compensation received for selling securities
Mrs. EdenEstoya	Employee	Brgy 78 Marasbaras Tacloban City	-	No compensation

Outline briefly the plan of distribution of any securities to be registered.

ACE Medical Center - Tacloban will market and offer the securities through its organic employees, mentioned above, who will act as salesmen. These employees are well versed with the Hospital's operations and are the best persons to market the Company's securities. These employees will not receive additional compensation for the marketing/selling services rendered. ACE Tacloban will greatly rely on these salesmen to spread the word about the facilities the Hospital can offer. Management believes that the strategic location of the Hospital, the facilities and the services it will provide, are sufficient to entice medical/dental practitioners and prospective investors to consider the offer.

The subscription payments made by the public will be utilized to fund the development costs, finish the hospital up to its operational stage and pay existing debts.

Purchasers may avail of deferred payment plans. The following payment terms may be extended to the prospective buyers as follows:

#### STOCKS PAYMENT SCHEDULE

I. **Non-Medical** ---- For one block of shares ----- Php200,000.00

Payment Options for One (1) Block of Shares (10 common shares):

- Php10,000 per month post-dated checks for 20 months.
- Php5,000 per month post-dated checks for 40 months.

II. **Medical** ----- For one block of shares ----- Php200,000.00

Payment options:

- Php10,000 per month post-dated checks for 20 months.
- Php5,000 per month post-dated checks for 40 months.

#### CAPITALIZATION

##### Capital Stock

ACS	Par Value	No. of Shares Subscribed		Amount Paid - Up	
		Founder	Common	Founder	Common
120,000,000.00	1,000.00	600	119,400	600,000.00	119,400,000.00
<i>Increase</i>					
120,000,000.00	1,000.00	-	72,000	-	18,000,000.00
<b>P240,000,000.00</b>		<b>600</b>	<b>191,400</b>	<b>P600,000.00</b>	<b>P137,400,000.00</b>

## OUTSTANDING SECURITIES AND PRINCIPAL SHAREHOLDERS

### Outstanding Securities

20. For each class of the Issuer's securities, indicate the total number of outstanding securities and the total number of securities of the Issuer is authorized to issue. Also, include a description of each class of securities.

Class of Securities	Securities Outstanding	Securities the Issuer is Authorized to Issue
Founder	600	-
Common	191,400	48,000
<b>T O T A L</b>	<b>192,000</b>	<b>48,000</b>

### Description of Securities

**Founders' Share** – the holders of the Founder's shares shall 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. The five-year period shall commence from the date of incorporation with the Securities and Exchange Commission.

**Common Share** – the holders of Common shares have cumulative voting right.

### Stockholders

#### Original Stockholders

21. Provide the names of the original stockholders, class of securities, number of shares held and percentage of total shares held over outstanding shares.

No	Name	Class of Securities	Shares Held	%
1	Ma. Rosario L. Abriol-Santos	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
2	Ma. Rosita O. Adolfo	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
3	Lourdes C. Agosto	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
4	Ronnavik John T. Agote	Founder	10	1.67%

No	Name	Class of Securities	Shares Held	%
		Common	1,990	
		Total	2,000	
5	Nestor Jogie C. Arroyo	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
6	Ferjenel G. Biron	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
7	Francisco P. Caboboy Jr.	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
8	Ma. Lourdes L. Camenforte	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
9	Fernando P. Carlos	Founder	40	6.67%
		Common	7,960	
		Total	8,000	
10	Geanie A. Cerna-Lopez	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
11	Maita C. Cruz	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
12	Ana Sandra C. Dacuycuy	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
13	Felicisimo D. De Castro	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
14	Carlos M. Dela Rosa	Founder	10	1.67%

No	Name	Class of Securities	Shares Held	%
		Common	1,990	
		Total	2,000	
15	Roberto M. De Leon	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
16	Maria Rhodora G. De Leon	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
17	Amado Manuel C. Enriquez Jr.	Founder	70	11.67%
		Common	13,930	
		Total	14,000	
18	Marilyn R. Enriquez	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
19	Michael Edward R. Enriquez	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
20	Miguel Antonio R. Enriquez	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
21	Ma. Pilipinas D. Jaya	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
22	Jonathan Moses C. Jadloc	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
23	Oscar B. Imperial	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
24	Rosario E. Latorre	Founder	10	1.67%

No	Name	Class of Securities	Shares Held	%
		Common	1,990	
		Total	2,000	
25	Mark Joseph C. Lopez	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
26	Joyce Rosario A. Matoza-Serna	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
27	Esther C. Maderazo	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
28	Fe G. Merin	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
29	Eulena P. Nolasco	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
30	Felix P. Nolasco	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
31	Nimfa L. Nuevas	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
32	Ma. Lourdes F. Opinion	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
33	Generoso M. Orillaza	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
34	Marissa A. Orillaza	Founder	10	1.67%

No	Name	Class of Securities	Shares Held	%
		Common	1,990	
		Total	2,000	
35	Eulogio T. Penalosa	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
36	Ronald L. Ramiro	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
37	Emmanuel A. Rosales	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
38	Jonally P. Redona	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
39	Marietta T. Samoy	Founder	20	3.33%
		Common	3,980	
		Total	4,000	
40	Audrey Katherina A. Santo	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
41	Sonia C. Sim	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
42	Mina Sirikit C. Tagra	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
43	Everly Joy P. Tobio	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
44	Florentina U. Ty	Founder	10	1.67%

No	Name	Class of Securities	Shares Held	%
		Common	1,990	1.67%
		Total	2,000	
45	Virginia U. Ty	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
46	Mary Grace T. Uy	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
47	Earl Courtney A. Viernes	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
48	La Rhaine G. Viernes	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
49	Agustin Zozobrado	Founder	10	1.67%
		Common	1,990	
		Total	2,000	
50	Evangeline Y. Zozobrado	Founder	10	1.67%
		Common	1,990	
		Total	2,000	

#### Current Stockholders

22. Provide the names of the current stockholders, class of securities, number of shares held and percentage of total shares held over outstanding shares. ✓ Same as Above

No	Name	Class of Securities	Shares Held	%
1	Ma. Rosario L. Abriol Santos	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
2	Ma. Rosita O. Adolfo	Founder	10	1.67%
		Common	3,190	

No	Name	Class of Securities	Shares Held	%
		Total	3,200	
3	Lourdes C. Agosto	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
4	Ronnavig John T. Agote	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
5	Nestor Jogie C. Arroyo	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
6	FerjenelG. Biron	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
7	Francisco P. Caboboy Jr.	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
8	Ma. Lourdes L. Camenforte	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
9	Fernando P. Carlos	Founder	40	6.67%
		Common	12,760	
		Total	12,800	
10	Geanie A. Cerna-Lopez	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
11	Maita C. Cruz	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
12	Ana Sandra C. Dacuycuy	Founder	10	1.67%
		Common	3,190	

No	Name	Class of Securities	Shares Held	%
		Total	3,200	
13	Felicitimo D. De Castro	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
14	Carlos M. Dela Rosa	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
15	Roberto M. De Leon	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
16	Maria Rhodora G. De Leon	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
17	Amado Manuel Enriquez Jr. C.	Founder	70	11.67%
		Common	22,330	
		Total	22,400	
18	Enriquez, Marilyn R.	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
19	Enriquez, Michael Edward R.	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
20	Enriquez, Miguel Antonio R.	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
21	Ma. Pilipinas D. Jaya	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
22	Jonathan Moses C. Jadloc	Founder	10	1.67%
		Common	3,190	

No	Name	Class of Securities	Shares Held	%
		Total	3,200	
23	Oscar B. Imperial	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
24	Rosario E. Latorre	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
25	Mark Joseph C. Lopez	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
26	Joyce Rosario A. Matoza-Serna	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
27	Esther C. Maderazo	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
28	Fe G. Merin	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
29	Eulena P. Nolasco	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
30	Felix P. Nolasco	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
31	Nimfa L. Nuevas	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
32	Ma. Lourdes F. Opinion	Founder	10	1.67%
		Common	3,190	

No	Name	Class of Securities	Shares Held	%
		Total	3,200	
33	Generoso M. Orillaza	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
34	Marissa A. Orillaza	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
35	Eulogio T. Penalosa	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
36	Ronald L. Ramiro	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
37	Emmanuel A. Rosales	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
38	Jonally P. Redona	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
39	Marietta T. Samoy	Founder	20	3.33%
		Common	6,380	
		Total	6,400	
40	Audrey Katherina A. Santo	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
41	Sonia C. Sim	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
42	Mina Sirikit C. Tagra	Founder	10	1.67%
		Common	3,190	

No	Name	Class of Securities	Shares Held	%
		Total	3,200	
43	Everly Joy P. Tobio	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
44	Florentina U. Ty	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
45	Virginia U. Ty	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
46	Mary Grace T. Uy	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
47	Earl Courtney A. Viernes	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
48	La Rhaine G. Viernes	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
49	Agustin Zozobrado	Founder	10	1.67%
		Common	3,190	
		Total	3,200	
50	Evangeline Y. Zozobrado	Founder	10	1.67%
		Common	3,190	
		Total	3,200	

### Top 20 Stockholders

23. Provide the names of the Top Twenty (20) principal shareholders who beneficially own at least 10% interest of each class of securities in the Issuer.

No	Name	Class of Securities	Number of Share Held	%
1	Enriquez, Amado Manuel Jr. C.	Founders/ Common	(D)22,400 (I) 6,400	15.03%
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>T O T A L</b>			28,800	15.03%

### **Dividends and Dividend Policy**

#### 24. Dividends and Dividend Policy

- a) Discuss any cash dividends declared on each class of its common equity by the registrant for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68.
- b) Describe any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.
- c) Describe company's dividend policy

ACE Medical Center – Tacloban, Inc.’s Board is authorized to declare cash or stock dividends or a combination thereof. A cash dividend declaration requires the approval of the Board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board and shareholders representing at least two-thirds of the Company’s outstanding capital stock. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

The Board of Directors has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from ACE Medical Center – Tacloban, Inc.’s unrestricted retained earnings. The amount of such dividends (either in cash, stocks or property) will depend on the Corporation’s profits, cash flow, capital expenditure, financial condition and other factors and will follow the SEC guidelines on determination of retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings. Actual earnings or profits shall be the net income for the year based on Audited Financial Statements, adjusted for unrealized items, which are considered not available for dividend declaration.

Taking into account the Hospital’s cash flows, capital expenditure, investment objective and financial condition, at least 5% of the actual earnings or profits may be declared by the Board.

As of the date of this Prospectus, no dividend has been declared as the Issuer is yet to be operational.

## **BOARD OF DIRECTORS**

### **Directors**

25. The table below sets forth each member of the Board of Directors of the Issuer as of the date of the Prospectus:

No	Name	Age	Position	Citizenship	Year Appointed
1	Amado Manuel C. Enriquez Jr.	65	Chairman	Filipino	2014
2	Fernando P. Carlos	57	Director/Pres.	Filipino	2014
3	Evangeline Y. Zozobrado	64	Director	Filipino	2017
4	Cerna-Lopez, Geanie C.	64	Director	Filipino	2014
5	Ma. Lourdes Lina L. Camenforte	57	Director	Filipino	2017
6	Miguel Antonio R. Enriquez	30	Director	Filipino	2017
7	Jonathan Moses C. Jadloc	45	Director	Filipino	2017
8	Fe G. Merin	63	Director	Filipino	2014
9	Nimfa L. Nuevas	51	Director/Treasurer	Filipino	2014

No	Name	Age	Position	Citizenship	Year Appointed
10	Generoso M. Orillaza	61	Director	Filipino	2014
11	Marietta T. Samoy	61	Director	Filipino	2014
12	La Rhaine G. Viernes	50	Director/Corp. Sec.	Filipino	2014
13	Mina Sirikit C. Tagra	57	Independent Director	Filipino	2017
14	Francisco P. Caboboy	48	Independent Director	Filipino	2018
15	Florentina U. Ty	65	Independent Director	Filipino	2017

### **Business and Work Experience**

26. Provide information on the business and working experience of the above named Directors for the past five (5) years:

Name	Business and Professional Work Experience
Amado Manuel C. Enriquez Jr.	<p>Manila East Medical Centre, Taytay Rizal - Board of Director (2001 – present), Chairman of the Board (2007 – 2008), Treasurer (2015 – 2017); Paranaque Doctors Hospital, Better Living Subdivision- Board of Director (2003 – present), President and CEO (2006 – 2011), Chairman (2012 – 2017); Unihealth- Paranaque Hospital and Medical Centre, Sucat- Founding President/CEO (2010 – 2012), Chairman of the Board (2014 – 2017); Alaminos Medical Centre Foundation, Inc. - Founding President/CEO/Chairman of the Board (2001 – present); ACE Medical Centre - Founding Chairman of the Board - ACE Medical Centre Baypointe, ACE Medical Centre Valenzuela, ACE Medical Centre Baliwag, ACE Medical Centre Pateros, ACE Medical Centre Quezon City, ACE Medical Centre Malolos, ACE Medical Centre Mandaluyong, ACE Medical Centre Legazpi, ACE Medical Centre Palawan, ACE Medical Centre Cebu ACE Medical Centre Iloilo, ACE Medical Centre Tacloban, ACE Medical Centre Bohol, ACE Medical Centre Dumaguete, ACE Medical Centre Bacolod, ACE Medical Centre Bayawan, ACE Medical Centre Dipolog ACE Medical Centre CDO, ACE Medical Centre Zamboanga, ACE Medical Centre General Santos, ACE Medical Centre Butuan.</p>

Name	Business and Professional Work Experience
	<p>Hospital Affiliations:</p> <p>St.Luke's Medical Centre (Dept. Cardiovasular – Thoracic Surgery); Manila East Medical Centre, Taytay, Rizal; ACE Medical Centre Baypointe, Subic Bay Freeport Zone; ACE Medical Centre Valenzuela, Valenzuela City; ACE Medical Centre Baliwag; ACE Medical Centre Pateros; ACE Medical Centre Quezon City.</p>
Fernando P. Carlos	<p>ACEMedical Center – Pateros, President (2011 – present); ACEMedical Center –QC, President (2012 – present); ACEMedical Center – Tacloban, President (2014 – present); ACE Medical Center – Dipolog, President (2017 – present); Founder and Board of Directors of other ACE Hospitals.</p> <p>Hospital Affiliations:</p> <p>ACE hospitals</p>
GeanieCerna-Lopez	<p>ACE Medical Centre Cebu – President; Medical Centre Muntinlupa - President (2017 – present); Unihealth Paranaque Hospital and Medical Centre, Hospital Administrator (2017 – present); Las Pinas City Medical Centre, Hospital Administrator (2017 – present)</p> <p>Hospital Affiliations:</p> <p>ACE Hospitals Paranaque Doctors Hospital Unihealth Paranaque Hospital and Medical Centre Las Pinas City Medical Centre Medical Centre Muntinlupa Asian Hospital and Medical Centre</p>
Francisco P. Caboboy	<p>Chairman, Dept. of Surgery – Mother of Mercy Hospital (September 2010 – present) Consultant, Eastern Visayas Regional Medical Center (July 2015 – present), Romualdez Hospital</p>
Ma. Lourdes Lina L. Camenforte	<p>Resident Physician – Samar Provincial Hospital; Divine Word University Hospital; St. Paul's Hospital; Mother of Mercy Hospital; Remedios Trinidad Foundation Hospital; Tacloban Doctors Hospital; Leyte Provincial Hospital</p>
Miguel Antonio R. Enriquez	<p>ACE Medical Centre Valenzuela - Hospital Administrator; ACE Medical Centre Quezon City - Vice President; ACE Medical Centre Pateros - Vice President</p>

Name	Business and Professional Work Experience
	Hospital Affiliations:  ACE Hospitals
Jonathan Moses C. Jadloc	Medical Director – Corrompido Specialty Hospital (2009-2017) Director – Souley MD Services, Inc. President/CEO Havilah Polymedic Consultant – Consuelo K. Tan Medical Center
Fe G. Merin	Faculty Member- Divine Word University College of Medicine (1982-1986, 1990-1995); Faculty Member- RTRMF College of Medicine (1995-1999); Chairman, Dept. of Obstetrics-Gynecology- Divine Word Hospital (1995- 1998); Consultant – Divine Word Hospital (1991-present); President, POGS Region 8 (2003 & 2004) Regional Director, POGS Region 8 (2010-2012); Board of Director, POGS Region 8 (2013-2016) Vice Chairman & Hospital Administrator, ACEMC Tacloban (2014 – present)
Nimfa L. Nuevas	Treasurer – POGS Region 8 Chapter, Tacloban City Hospital Affiliations: Mother Mercy Hospital; Sta. Paul's Hospital; Remedios Trinidad Romualdez Hospital
Generoso M. Orillaza	Director – Paranaque Doctors Hospital (2007 – present); ACE Baypointe Hospital & Medical Center (2010- present); ACE Baliwag (2012-2014) Head, Engineering and Maintenance Service- ACE Valenzuela (2011-2014); ACE Baypointe Hospital & Medical Center (2010- present); ACE Baliwag (2012-2014); Unihealth Paranaque Hospital and Medical Center 2014-2014); ACE Pateros (2013-2015); ACE QC (2013-present); Chairman of Construction Committee (2008 – present) – ACE Bohol; ACE Iloilo; ACE Dumaguete; ACE Tacloban; ACE Tacloban; ACE Butuan
Marietta T. Samoy	Chairman – Unihealth-Baypointe Hospital & Medical Center, Inc. (Subic Bay Freeport Zone) 2017 President – Unihealth-Valenzuela Hospital & Medical Center (2017) Medical Director – YGEIA Medical Center Chairman, Dept. of Surgery – ACE Medical Center Valenzuela; Uni-Health Paranaque Hospital and Medical Center (2017)
Evangeline Y. Zozobrado	Las Pinas City Medical Centre -Hospital Administrator, Treasurer, Corporate Secretary, Medical Director, Personnel Director, Board of Director, Nursing Director (1999 – present);

Name	Business and Professional Work Experience
	<p>University of Perpetual Help Medical Centre -Visiting Medical Staff (1986 – present); Medical Centre Muntinlupa - Hospital Administrator , Corporate Treasurer, Business Office Head, Purchasing Head Board of Director (1990 – present); Asian Hospital and Medical Centre - Active Medical Staff (2002 – present); Paranaque Doctors Hospital - Personnel Director, Board of Director, Treasurer, Corporate Secretary, Nursing Director (2002 – present); Unihealth Paranaque Hospital and Medical Centre - Personnel Director, Active Medical Staff (2011 – present); Diliman Doctors Hospital - Hospital Administrator (April 2017 – present); ACE Hospital &amp; Medical Centre Cebu - Assistant Treasurer (2014 – present); ACE Hospital &amp; Medical Centre Tacloban - Board of Director (2017 – present)</p> <p>Hospital Affiliations</p> <p>Asian Hospital and Medical Centre</p> <p>Medical Centre Muntinlupa</p> <p>Las Pinas City Medical Centre</p> <p>Paranaque Doctors Hospital</p> <p>University of Perpetual Help System Dalta Hospital and Medical Centre</p> <p>Las Pinas Doctors Hospital</p> <p>Unihealth Paranaque Hospital and Medical Centre</p>
La Rhaine G. Viernes	<p>ACE Medical Centre Tacloban, Board Secretary (2015 – present); ACE Medical Centre Palawan, Board Assistant Secretary (2017 – present); Council Secretary (2017 – present); MMH Hospital Tacloban City - Active Consultant (2014 – present); RTR Hospital Tacloban City - Training Officer (2014-2015); Department of Pediatrics, Bethany Hospital Training Officer (2003 – 2013); Department of Pediatrics, RTR Hospital Tacloban City - Pediatrics Consultant (2001 – present); Bethany Hospital Therapeutics and Pharmacy Committee Member (2005 – 2013); Credentials and Ethics Committee (2005 – 2013); Department of Pediatrics, Divine Word Hospital, Consultant Staff (2001 – present); Department of Pediatrics, Philippine Children's Medical Centre - Resident Physician (January 1995 – January 1998); Leyte Medical Society –Treasurer; Philippine Pediatric Society- Eastern Visayas- Secretary (2011-2013); Philippine Pediatric Society- Eastern Visayas-Vice President (2014-2016); Philippine Pediatric Society- Eastern Visayas-Chapter President ( 2016-2018)</p> <p>Hospital Affiliations:</p>

Name	Business and Professional Work Experience
	Mother of Mercy Hospital –Active consultant RTR Hospital –Active Consultant Divine Word Hospital- Visiting Consultant
Mina Sirikit C. Tagra	Consultant – Divine Word Hospital (1998 – present); Training Officer – Divine Word Hospital (2012-2015); Visiting consultant – RTR Hospital (1998 – present); Mother of Mercy Hospital (2014 – present); Medical Director, Pharmacist, OB Gyne Sonologist, OB Gyne – Claridad Pharmacy OB Gyne and Ultrasound Services (2000-present); President, Region 8 Pharmacist Association (2000-2014);Chief of Clinic, Founders Head – Pharmacy dept. ACEMC Tacloban; Regional Director, Pogr Region 8 Chapter (2015 – present)
Florentina U. Ty	President – Society of Pediatric Critical Care Medicine Philippines (2002-2004); National Coordinator – Pediatric Advanced Life Support, PPS (1995-2005); Over-all Chair, 5 <sup>th</sup> Asia-Pacific Association for Respiratory Care Convention (1985); Over-all Chair- 1 <sup>st</sup> Postgraduate Course Mary Johnston Hospital, Dept of Pediatrics; Over-all Chair- 1 <sup>st</sup> Subspecialty Postgraduate Course, MCU Hospital, Dept of Pediatrics (1983); Over-all Chair- 7 <sup>th</sup> Joint Convention Critical Care Management, Philippine Heart Center (2005); Over-all Chair- 1 <sup>st</sup> Postgraduate Course Las Pinas Medical Center, Dept of Pediatrics (2006); Chairman- Committee on Critical Care, PPS (2002); Chairman – Ways & Means, 44 <sup>th</sup> PPS Annual Convention (2007); Chairman- Finance Committee, 45 <sup>th</sup> PPS Annual Convention (2008); Over-all Chair- 51 <sup>st</sup> PPS Annual Convention (2015); Board Examiner- Subspecialty Board, Society of Pediatric Critical Care Medicine, Phil (2005-2010); Chairman- Las Pinas City Med Center (2004-2012); Board Member- PPS, Inc. (2006-2016); Council Director for Research & Publication- PPS (2012-2016); National Treasurer- PPS (2016-2018); National Secretary, PPS (2018-2020); National Treasurer, PPS (2016-2018); Associate Professor, MCU-FDTMF College of Medicine (1991 to present); Regional Trainor/ Hospital Based Trainor, National Resuscitation Program, AAP, AHA (1990- present); Instructor American Heart Association- BLS, Pediatric Advanced Life Support (2008-present); AHA International Training Center Faculty Coordinator- PCMC for BLS, PALS, ACLS (2001-present); Unit Head, Pediatric ICU- The Medical City (2005-present); Chairman- Diliman Doctors Hospital, Dept of Pediatrics (2018)

## 27. Other Directorship of Independent Directors

Name of Independent Director	Reporting Company	Year Appointed
Mina Sirikit C. Tagra	None	2017
Francisco P. Caboboy	None	2018
Florentina U. Ty	None	2017

### Security Ownership of Directors

The following table shows the security ownership of directors in the common shares of the Company as of September 15, 2019.

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
Amado Manuel C. Enriquez Jr.	22,400,000	6,400,000	Filipino	28,800	15.03%
Fernando P. Carlos	12,800,000		Filipino	12,800	6.67%
Francisco P. Caboboy	3,200,000		Filipino	3,200	1.67%
Cerna-Lopez, Geanie C.	3,200,000	3,200,000	Filipino	6,400	3.33%
Ma. Lourdes Lina L. Camenforte	3,200,000		Filipino	3,200	1.67%
Miguel Antonio R. Enriquez	3,200,000		Filipino	3,200	1.67%
Jonathan Moses C. Jadloc	3,200,000		Filipino	3,200	1.67%
Fe G. Merin	3,200,000		Filipino	3,200	1.67%
Nimfa L. Nuevas	3,200,000		Filipino	3,200	1.67%
Generoso M. Orillaza	3,200,000	3,200,000	Filipino	6,400	3.33%
Marietta T. Samoy	3,200,000		Filipino	3,200	1.67%
La Rhaine G. Viernes	3,200,000	3,200,000	Filipino	6,400	3.33%
Mina Sirikit C. Tagra	3,200,000		Filipino	3,200	1.67%
Evangeline Y. Zozobrado	3,200,000	3,200,000	Filipino	6,400	3.33%

Florentina U. Ty	3,200,000		Filipino	3,200	1.67%
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## MANAGEMENT

### **Officer, Manager and Key Person**

28. Provide background information for each Officer, Manager and Key Person. The term "Key Person" means a person who makes significant contribution to the business of the Issuer.

Name	Fernando P. Carlos
Age	57
Title	President/CEO
Time spent on Issuer's business	Full time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 56
Education	<p>COLLEGE: BS Medical Technology, Manila Central University (1983)</p> <p>MEDICAL SCHOOL: Remedios Trinidad Romualdez Medical Foundation (1986)</p> <p>MEDICAL INTERNSHIP: Post Graduate Training De Los Santos Medical Centre, 1986 – 1987</p> <p>RESIDENCY TRAINING: Otolaryngology – Head and Neck Surgery, Ospital ng Makati 1991 – 1996</p> <p>Fellowship/ Subspecialty Training Cosmetic Surgery - Philippine Society for Cosmetic Surgery 2000 – 2002</p>

Name	Ma. Lourdes Lina L. Camenforte
Age	57
Title	Purchasing Head
Time spent on Issuer's business	Full Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 57
Education	<p>COLLEGE: B.S. Biology, University of Santo Tomas 1982</p> <p>MEDICAL SCHOOL:</p>

	<p>Remedios T. Romualdez Medical Foundation 1986</p> <p>POST GRADUATE INTERNSHIP: Eastern Visayas Regional Medical Center 1987</p> <p>RESIDENCY TRAINING: Department of Pediatrics Divine Word University Hospital 1997</p> <p>MASTERAL: MA in Hospital Administration Cebu Doctors University</p>
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Name	La Rhaine G. Viernes
Age	50
Title	Corporate Secretary/Marketing Head
Time spent on Issuer's business	Full Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 59
Education	<p>COLLEGE: BS Biology, University of the Philippines, Tacloban City April 1989</p> <p>BS Nursing, Colegio De San Lorenzo Ruiz de Manila October 2003</p> <p>MEDICAL SCHOOL: Remedios Romualdez Medical Foundation College of Medicine 1993</p> <p>POST GRADUATE INTERNSHIP: Bethany Hospital, Real St., Tacloban City May 1993 – April 1994</p> <p>RESIDENCY TRAINING: Philippine Children's Medical Center 1994- JANUARY 1998</p> <p>OTHER TRAININGS: Leadership and Management Development Executive Program for Pediatricians, Asian Institute of Management (AIM) October 2016</p> <p>Leadership Excellence in the Health Profession Ateneo Graduate School of Business (2009)</p> <p>MASTERAL MA Hospital Administration, Cebu Doctors' University Graduate School (April 2017)</p>

Name	Nimfa L. Nuevas
Age	51
Title	Treasurer
Time spent on Issuer's business	Full Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 57
Education	<p><b>COLLEGE:</b> University of the Philippines, Tacloban 1987</p> <p><b>MEDICAL SCHOOL:</b> Remedios T. Romualdez Medical Foundation College of Medicine 1992</p> <p><b>POST-GRADUATE INTERNSHIP:</b> Eastern Visayas Regional Medical Center 1993</p> <p><b>RESIDENCY TRAINING:</b> Department of Obstetrics-Gynecology Cebu Velez General Hospital 1999</p> <p><b>MASTERAL:</b> MA in Hospital Administration Cebu Doctors University 2017</p>

Name	Fe G. Merin
Age	63
Title	Hospital Administrator
Time spent on Issuer's business	Full Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 57
Education	<p><b>COLLEGE:</b> B.S. Biology, University of San Carlos, Cebu City (1974), Cum Laude</p> <p><b>MEDICAL SCHOOL:</b> Cebu Institute of Medicine (1978)</p> <p><b>POST GRADUATE INTERSHIP:</b> Cebu Velez General Hospital (1979)</p> <p><b>RESIDENCY TRAINING:</b> Obstetrics- Gynecology = Cebu Velez General Hospital (1980- 1983) Chong Hua Hospital, Cebu City (1986- 1990)</p> <p><b>MASTERAL:</b></p>

	MA Hospital Administration Cebu Doctors University
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Name	Jonathan Moses C. Jadloc
Age	45
Title	Medical Director
Time spent on Issuer's business	Full Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 57
Education	<p>COLLEGE: BS Nursing Divine Word University 1994</p> <p>MEDICAL SCHOOL: Remedios T. Romualdez Medical Foundation College of Medicine 1999</p> <p>POST GRADUATE INTERNSHIP: Eastern Visayas Regional Medical Center 2001</p> <p>RESIDENCY TRAINING: Department of Internal Medicine Eastern Visayas Regional Medical Center 2001-2005</p> <p>FELLOWSHIP / SUBSPECIALTY TRAINING: Diabetology ISDFI, UERMMMC 2009- 2011</p> <p>MASTERAL: MA in Hospital Administration</p> <p>Cebu Doctors University April 22, 2018</p>

Name	Generoso M. Orillaza
Age	61
Title	Head, Engineering and Maintenance Department
Time spent on Issuer's business	Part Time
Hospital affiliation – 5 years	See Business and Professional Work Experience on p. 60
Education	<p>FEU Institute of Technology (1997), BS Civil Engineering</p> <p>Further Studies: UP-PGH College of Medicine, short course in Hospital Administration (June 2008)</p>

## Security Ownership of Management

The following table shows the security ownership of management in the common shares of the Company as of September 15, 2019.

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
Fernando P. Carlos	12,800,000	-	Filipino	12,800	6.67%
Ma. Lourdes Lina L. Camenforte	3,200,000		Filipino	3,200	1.67%
La Rhaine G. Viernes	3,200,000	3,200,000	Filipino	6,400	3.33%
Nimfa L. Nuevas	3,200,000	-	Filipino	3,200	1.67%
Fe G. Merin	3,200,000		Filipino	3,200	1.67%
Jonathan Moses C. Jadloc	3,200,000		Filipino	3,200	1.67%
Generoso M. Orillaza	3,200,000	3,200,000	Filipino	6,400	3.33%
<b>TOTAL</b>	<b>32,000,000</b>	<b>6,400,000</b>		<b>38,400</b>	<b>20.01%</b>

## Compensation

29. List the compensation paid by the Issuer to the Chief Executive Officers and four (4) most highly compensated officers other than the CEO, all of whom shall be individually named during the last fiscal year:

### SUMMARY COMPENSATION TABLE

#### Annual Compensation

	(b)	(b)	(c)	(d)	(e)
Name and Principal position	Year	Salary (P)	Bonus (P)	Other Annual Compensation	
CEO Fernando P. Carlos	2018	-	-	60,000 (per diem)	
A Amado C. Enriquez Jr.	2018	-	-	60,000 (per diem)	
B La Rhaine G. Viernes	2018	-	-	60,000 (per diem)	
C Nimfa L. Nuevas	2018	-	-	60,000 (per diem)	

D	Fe G. Merin	2018	-	-	60,000 (per diem)
E	All other Officers and Directors as a group unnamed	2018	-	-	600,000 (per diem of 10 Directors)

30. The Issuer (select all that apply):

<input checked="" type="checkbox"/>	Expects compensation to change in the next year
<input type="checkbox"/>	Owes compensation for prior years

### Arrangements with Officers, Directors, Managers and Key Persons

31. The Issuer (select all that apply):

<input type="checkbox"/>	Has entered into employment or non-compete agreements with any Officer, Manager, Director or Key Person.
<input type="checkbox"/>	Plans to enter into employment or non-compete agreements with any Officer, Manager, Director or Key Person

### Insolvency Legal Proceedings of Management and Key Personnel

32. An Officer, Manager, Director, Key Person of the Issuer (Put ✓ in column if applicable and x otherwise):

Name	Position: D = Director ID - Independen t Director O - Officer	Case Details			
		Civil	Criminal	Administrati ve	Bankruptcy
Enriquez, Amado Manuel Jr. C.	D/O	✓	x	X	x

On February 5, 2018, Dr. Ferdinand Kionisala filed a complaint before RTC Br. XI, Cebu City for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against the regular Directors and Officers of ACE Cebu. On Mar. 7, 2018, another case was filed Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia before RTC Br. XI, Cebu City for the same cause of action. The complainants are investors of ACE Cebu.

The Stock Certificates of those fully paid have been issued, including those that subscribed

						to their pre-emptive rights. The complainants have been informed and were advised to get their Certificates, but continuously fail to do so.
Fernando P. Carlos	<b>D/O</b>	x	x	X	x	
Francisco P. Caboboy	<b>ID</b>	x	x	X	x	
GeanieCerna-Lopez	<b>D</b>	✓	x	X	x	<p>On February 5, 2018, Dr. Ferdinand Kionisala filed a complaint before RTC Br. XI, Cebu City for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against the regular Directors and Officers of ACE Cebu. On Mar. 7, 2018, another case was filed Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia before RTC Br. XI, Cebu City for the same cause of action. The complainants are investors of ACE Cebu.</p> <p>The Stock Certificates of those fully paid have been issued, including those that subscribed to their pre-emptive rights. The complainants have been informed and were advised to get their Certificates, but continuously fail to do so.</p> <p>Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. al. have filed a Special Civil Action case for Mandamus against Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez and Velma T. Chan on November 28, 2018, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333% ownership multiplied by 120,000 (increase in Capital).</p>
Ma. Lourdes Lina L. Camenforte	<b>D</b>	x	x	X	x	
Miguel Antonio R. Enriquez	<b>D</b>	x	x	X	x	
Jonathan Moses C. Jadloc	<b>D/O</b>	x	x	X	x	
Fe G. Merin	<b>D/O</b>	x	x	X	x	
Nimfa L. Nuevas	<b>D/O</b>	x	x	X	x	
Generoso M. Orilla za	<b>D</b>	✓	x	X	x	On February 5, 2018, Dr. Ferdinand Kionisala filed a complaint before RTC Br. XI, Cebu City

							for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against the regular Directors and Officers of ACE Cebu. On Mar. 7, 2018, another case was filed Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia before RTC Br. XI, Cebu City for the same cause of action. The complainants are investors of ACE Cebu.
							The Stock Certificates of those fully paid have been issued, including those that subscribed to their pre-emptive rights. The complainants have been informed and were advised to get their Certificates, but continuously fail to do so.
Marietta T. Samoy	<b>D</b>	✓	x	X	x		On February 5, 2018, Dr. Ferdinand Kionisala filed a complaint before RTC Br. XI, Cebu City for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against the regular Directors and Officers of ACE Cebu. On Mar. 7, 2018, another case was filed Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia before RTC Br. XI, Cebu City for the same cause of action. The complainants are investors of ACE Cebu.
							The Stock Certificates of those fully paid have been issued, including those that subscribed to their pre-emptive rights. The complainants have been informed and were advised to get their Certificates, but continuously fail to do so.
La Rhaine G. Viernes	<b>D/O</b>	x	x	X	x		
Mina Sirikit C. Tagra	<b>ID</b>	x	x	X	x		
Evangeline Y. Zozobrando	<b>D</b>	✓	x	X	x		On February 5, 2018, Dr. Ferdinand Kionisala filed a complaint before RTC Br. XI, Cebu City for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against the regular Directors and Officers of ACE Cebu. On Mar. 7, 2018, another case was filed Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia before RTC Br. XI, Cebu City for the same cause of action. The complainants are investors of ACE Cebu.

						The Stock Certificates of those fully paid have been issued, including those that subscribed to their pre-emptive rights. The complainants have been informed and were advised to get their Certificates, but continuously fail to do so.
Florentina U. Ty	<b>ID</b>	x	x	X	x	

### **Certain Legal Proceedings**

This section applies to:

- The issuer, its subsidiaries and affiliates
- All Directors and Officers of the Issuer
- All Beneficial Owners of 10% or more of the Issuer's outstanding voting equity and
- All Promoters of the Issuers

33. Have any of the above-listed persons filed or subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive either at the time of the bankruptcy or within two (2) years prior to that time. [ ] Yes [√] No

34. Have any of the above-listed persons been named as the subject of a pending felony or misdemeanor criminal proceeding excluding traffic violations or other minor offenses not related to fraud or a financial crime? [ ] Yes [√] No

35. Have any of the above-listed persons been the subject of an order, judgment, decree, sanction or administrative findings imposed by any government agency, administrative agency, self-regulatory organization, civil court, or administrative court in the last five (5) years related to his or her involvement in any type of business, securities, insurance, or banking activity? [√] Yes [ ] No

*Some of the Directors of ACE Tacloban from Manila have become the subject of an Order issued by the Commission, through the Enforcement and Investor Protection Department (EIPD) dated March 13, 2018, relative to the Offer of Settlement tendered by ACE Medical Center-Cebu, Inc. The Order directed ACE Cebu Hospital to pay the penalties assessed against the company and its Directors. The Hospital paid the penalties and the corresponding Notice of Settlement Agreement has been issued on March 19, 2018.*

36. Are any of the above-listed persons the subject of a pending civil, administrative, or self-regulatory action related to his or her involvement in any type of business, securities, insurance, or banking activity? [√] Yes [ ] No

*Dr. Ferdinand Kionisala and Dax Matthew Quijano, together with Rose Marie Quijano, Eric Cheung, Girlie Cheung and Candice Joy Sia filed separate complaints before RTC Br. XI, Tacloban City for Issuance of Stock Certificate, Declaration of Sale in Installment as Subscription Contract, and Declaration of Rights of Pre-emption against some of the Directors of ACE Tacloban, including Doctors Enriquez, Cerna-Lopez, Zozobrando and Samoy and Engr. Orillaza.*

37. Has any civil action, administrative proceeding, or self-regulatory proceeding been threatened against any of the above-listed persons related to his or her involvement in any type of business, securities, insurance or banking activity?  Yes  No

*The Insurance Commission (IC) has summoned the Chairman, Dr. Amado C. Enriquez to appear in a clarificatory conference before the Regulation Enforcement and Prosecution Division of the IC relative to the conduct of operations of the ACE Group of Hospitals, for allegedly engaging in pre-need business activities without the necessary license.*

*On March 8, 2018, Dr. Enriquez being represented by Atty. Arlex L. Ines, appeared before the IC and explained the Company's operations. Atty. Ines was directed to file a Supplemental Explanation until April 7, 2018 to address all queries of the IC relative to the Hospital's business activities.*

*On April 14, 2018, ACEMC Hospitals received a letter dated 16 March 2018 ordering it to submit a written explanation to address the complaint of Kionisala.*

*On May 8, 2018, Atty. Maylene B. Villanueva appeared on behalf of ACEMC Hospitals before the Regulation Enforcement and Prosecution Division of the Insurance Commission, in a hearing before Atty. Brian Gale T. Sibuyan (Officer-in-Charge). She was asked to comment on the complaint filed by Dr. Kionisala. Another hearing was set on 24 July 2018 where the lawyer of Dr. Kionisala, Atty. Kristian Jacob Lora appeared on his behalf. Atty. Lora filed a letter which sums up the position of Dr. Kionisala and read it. The lawyers of ACEMC hospitals including ACEMC Iloilo and Diliman Doctors Hospital which was also included in the complaint of Dr. Kionisala rebutted the arguments therein, so Atty. Sibuyan ordered all parties to submit a position paper thirty (30) days after the said hearing after which the case shall be deemed submitted for resolution. ACEMC Iloilo filed its position paper on 23 August 2018.*

*On December 11, 2018, Commissioner Funai of the Insurance Commission issued a letter on the findings of the Commission after the investigation conducted on the allegations of Dr. Kionisala, to wit:*

*"In summary, the Commission finds that, based from the record, the benefits and privileges enjoyed by you or offered by any of the named respondents on this matter is not a pre-need contract, agreement, deed, nor plan contemplated under the law. The ACEMC – Cebu or any other respondent named on this matter are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission."*

## **Litigation**

38. The Issuer (select all that apply):

	Has been involved in litigation or subject to administrative action in the last five (5) years that has had a material effect upon the Issuer's business, financial condition or operations
	Has pending litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations
	Is currently threatened by litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations
<input checked="" type="checkbox"/>	None of the above

## Family Relationship

39. Describe any family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers.

Are there any siblings/relatives within 4<sup>th</sup> civil degree among the Directors?

Yes, the Chairman and the President are first degree cousins and Director Miguel Antonio Enriquez is the son of the Chairman.

## Certain Relationship and Related Party Transactions

40. The Issuer (select all that apply):

	Has made loans to an Officer, Manager, Director or Principal Stockholders within the last two (2) years
✓	Has one or more outstanding loans with an Officer, Manager, Director or Principal Stockholder in the future.
	Has done other business not associated with this offer with current Officer, Manager, Director, or Principal Stockholder within the last two (2) years
	Plans to do other business not associated with this offering with a current Officer, Manager, Director, or Principal Stockholder in the future

## FINANCIAL INFORMATION

### Management Discussion and Analysis (MD&A) or Plan of Operation

#### Results of Operations (March 31, 2019 vs. March 31, 2018)

	For the Three Month Period Ended March 31,		Horizontal Analysis		Vertical Analysis	
	2019	2018	Inc (Dec)	%age	2018	2017
<b>Revenues</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Direct costs</b>	-	-	-	n/a	n/a	n/a
<b>Gross profit</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Other income</b>	<b>6,003,360</b>	<b>3,611</b>	<b>5,999,749</b>	<b>166173%</b>	n/a	n/a
<b>Gross income</b>	<b>6,003,360</b>	<b>3,611</b>	<b>5,999,749</b>	<b>166173%</b>	n/a	n/a
<b>General &amp; administrative costs</b>	<b>11,948,791</b>	<b>1,604,690</b>	<b>10,344,102</b>	<b>645%</b>	n/a	n/a
<b>Operating loss</b>	<b>₱ (5,945,431)</b>	<b>₱ (1,601,079)</b>	<b>(4,344,352)</b>	<b>271%</b>	n/a	n/a
<b>Finance income</b>	-	-	-	n/a	n/a	n/a
<b>Finance cost</b>	<b>1,778,247</b>	<b>91,285</b>	<b>1,686,963</b>	<b>1848%</b>	n/a	n/a
<b>Loss before tax benefit</b>	<b>₱ (7,723,678)</b>	<b>₱ (1,692,364)</b>	<b>(6,031,315)</b>	<b>356%</b>	n/a	n/a
<b>Income tax benefit</b>	-	-	-	n/a	n/a	n/a
<b>Loss for the year</b>	<b>₱ (7,723,678)</b>	<b>₱ (1,692,364)</b>	<b>(6,031,315)</b>	<b>356%</b>	n/a	n/a

#### *Other income*

Other income pertains to interest earned from banks and reversal of estimated credit losses amounting to P3,360 and P6,000,000, respectively.

#### *General & Administrative Costs*

The tremendous increase of 645% from 2018 is due primarily to the increase in depreciation (due to acquisitions of property and equipment), salaries and allowances, taxes and licenses, increase in board meetings at per diem and meals.

### ***Loss for the Year***

Loss for March 31, 2019 is higher by 356% than December 31, 2018 due to the non-operational status of the Company. There is still no income to sustain the expenses.

### **Financial Condition (March 31, 2019 vs. December 31, 2018)**

		<i>Restated balance</i>		Horizontal Analysis		Vertical Analysis	
		<i>As at March 31,</i>	<i>As at December 31,</i>	<i>Inc (Dec)</i>	<i>%age</i>	<i>2018</i>	<i>2017</i>
		<i>2019</i>	<i>2018</i>				
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash	₱ 17,761,517	₱ 22,386,668	(4,625,149)	-21%	2%	3%	
Advances to suppliers	₱ 28,491,769	₱ 90,359,063	(61,867,294)	-68%	4%	13%	
Other receivables	₱ 46,575,008	₱ 45,647,665	927,343	2%	5%	7%	
Other current assets	₱ 1,560,603	-	1,560,603	0%	0%	0%	
<b>Total current assets</b>	<b>₱ 94,388,897</b>	<b>₱ 158,393,396</b>	<b>(64,004,499)</b>	<b>-40%</b>	<b>11%</b>	<b>23%</b>	
<b>Non-current assets:</b>							
Loans receivable	₱ 35,000,000	₱ 39,000,000	(4,000,000)	-10%	4%	6%	
Construction-in-progress	₱ 461,196,223	₱ 406,705,842	54,490,382	13%	53%	58%	
Property & equipment – net	₱ 279,056,022	₱ 93,473,220	185,582,802	199%	32%	13%	
Intangible asset	₱ 250,000	₱ 250,000	-	0%	0%	0%	
Other noncurrent assets	₱ 7,000	₱ 7,000	-	0%	0%	0%	
<b>Total non-current assets</b>	<b>₱ 775,509,245</b>	<b>₱ 539,436,062</b>	<b>236,073,183</b>	<b>44%</b>	<b>89%</b>	<b>77%</b>	
<b>TOTAL ASSETS</b>	<b>₱ 869,898,142</b>	<b>₱ 697,829,458</b>	<b>172,068,684</b>	<b>25%</b>	<b>100%</b>	<b>100%</b>	
<b>LIABILITIES &amp; EQUITY</b>							
<b>Current liabilities:</b>							
Accounts payables and							
Otherliabilities	₱ 112,559,758	₱ 44,549,647	68,010,112	153%	13%	6%	
Reservation deposit	₱ 10,400,000	₱ 10,400,000	-	0%	1%	1%	
Notes payable- current	₱ 20,987,418	₱ 15,133,934	5,853,484	39%	2%	2%	
<b>Total current liabilities</b>	<b>₱ 143,947,176</b>	<b>₱ 70,083,581</b>	<b>73,863,595</b>	<b>105%</b>	<b>17%</b>	<b>10%</b>	
<b>Non-current liabilities:</b>							
Accounts payable- non current	₱ 13,027,662	-	13,027,662	0%	1%	0%	
Notes payable- noncurrent	₱ 489,216,029	₱ 406,473,464	82,742,565	20%	56%	58%	
Advances from shareholders	₱ 110,957,299	₱ 105,516,259	5,441,040	5%	13%	15%	
<b>Total non-current liabilities</b>	<b>₱ 613,200,990</b>	<b>₱ 511,989,723</b>	<b>101,211,266</b>	<b>20%</b>	<b>70%</b>	<b>73%</b>	
<b>Total liabilities</b>	<b>₱ 757,148,166</b>	<b>₱ 582,073,304</b>	<b>175,074,862</b>	<b>30%</b>	<b>87%</b>	<b>83%</b>	
<b>Equity:</b>							
Share capital - net	₱ 138,000,000	₱ 138,000,000	-	0%	16%	20%	
Revaluation reserve	₱ 23,062,924	₱ 18,345,424	4,717,500	26%	3%	3%	
Accumulated losses	(₱ 48,312,948)	(₱ 40,589,270)	(₱ 7,723,678)	19%	-6%	-6%	
<b>Total equity</b>	<b>₱ 112,749,976</b>	<b>₱ 115,756,154</b>	<b>(₱ 3,006,178)</b>	<b>-3%</b>	<b>13%</b>	<b>17%</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>₱ 869,898,142</b>	<b>₱ 697,829,458</b>	<b>172,068,684</b>	<b>25%</b>	<b>100%</b>	<b>100%</b>	

### ***Total Assets***

Certain balances of December 31, 2018 were restated to reflect compliance with new accounting standard PFRS 9.

Total assets of the Company increased by ₦172.07-million (25%) from ₦697.83-million as of December 31, 2018 to ₦869.90-million as of March 31, 2019, which was primarily related to construction costs incurred for the hospital building and acquisitions and recognition of property and equipment already delivered but not yet fully paid.

*Cash*

Cash decreased by ₦4.62-million (21%) in 2019, from ₦22.39-million as of December 31, 2018, to ₦17.76-million as of March 31, 2019, as a result of acquisitions of property and equipment and increases in expenses.

*Advances to suppliers*

Advances to suppliers decreased by ₦61.87-million (68%) in 2019 due to recognition of property and equipment already delivered but not yet fully paid.

*Other receivables*

Other receivables has increased by 2%, a minimal movement during the year.

*Prepayments and other current assets*

This account pertains to balance of prepaid insurance and inventory of linens / beddings purchased by the Company during the year.

*Construction-in-Progress*

As of March 31, 2019, hospital building construction were estimated to be 96.78% completed. The increase of ₦54.49-million (13%) was the result of additional construction costs and capitalized borrowing costs from the bank loan availed from Landbank.

*Property and Equipment*

The Company's property and equipment amounted to ₦279.06-million as of March 31, 2019, representing a 199% increase from the December 31, 2018 balance of ₦93.47-million. The increase is due to acquisitions and recognition of medical and hospital equipment already delivered but not yet fully paid. Property and equipment consist mainly of land, transportation, office furniture and equipment and medical/ hospital equipment and other equipment.

In December 31, 2018 and March 31, 2019, land is revalued at a total amount of ₦89,665,500 and ₦94,383,000, respectively as per appraisal report conducted by an independent third party.

*Intangible assets*

Pertains to down payment made for the purchased and setting up of the hospital information system software. An integrated packaged software application design for hospital operations that includes Patient Services, Billing and Collection, Nursing Services, Ancillary Services and Examination and Results, Material Management System and Financial Management System.

*Other noncurrent assets*

No increase or movement during the year for other noncurrent assets account.

***Total Liabilities***

Total liabilities increased by ₱175.07-million (30%) from ₱582.07-million as of December 31, 2018 to ₱757.14-million as of March 31, 2019, which was primarily due to additional bank loans and balance of instalment payments related to acquisition of property and equipment.

*Accounts payable and other liabilities*

The increased in payable by ₱68.01-million (153%) from ₱44.55-million as of December 31, 2018 to ₱112.56-million as of March 31, 2019, primarily due to balances in installment payment related to the acquisition of the property and equipments.

*Accounts payable- non current*

This account pertains to obligations payable for more than 12 months and is related to acquisition of medical and hospital equipments that are already delivered but not yet fully paid

*Notes payable*

Notes payable of the Company composed of loans with Landbank and loan amortization with another bank amounting to ₱508.80-million and ₱1.4-million, respectively. Loan amortization for transportation equipment purchased in 2018 and 2019 are paid monthly. Both loans are classified into current and noncurrent portion.

The Company obtained a credit line from Landbank amounting to ₱500-million, ₱400-million to finance the construction of the hospital building and ₱100-million to be used for the acquisition of various medical machineries & equipment. Additional credit line for the Company was granted in 2018 amounting to P350-million, P300-million for the acquisitions of medical and hospital equipment and P50-million to finance working capital of the Company for the acquisition of hospital/medical supplies and inventory build-up for medicine and laboratory supplies.

The total amount drawn from the credit facility, as at December 31, 2018 was ₱508.80-million. The loans are guaranteed by the Company's land and construction-in-progress, under a real estate mortgage. The loan is also secured by a chattel mortgage on various medical equipment of the Company to be purchased on future loan availment.

Total interest on these loans amounted to ₱5.44-million recognized as a capitalizable borrowing cost in the construction in progress and 1.78-million recognize as finance cost in the statement of comprehensive loss as of March 31, 2019.

*Advances from Shareholders*

This account increased by ₱5.44-million in 2019 due to additional advances made by shareholders during the year to help finance the construction of the building.

When cash levels run low, the Founders would regularly infuse of additional capital to finance specific liabilities that are falling due. These advances are non-interest bearing and unsecured.

***Equity***

The 3% decrease in the total equity resulted from the restatement and revaluation made of the Company.

**Results of Operations (December 31, 2018 vs. December 31, 2017)**

December 31,	Horizontal Analysis	Vertical Analysis
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	2018	2017	Inc (Dec)	%age	2018	2017
<b>Revenues</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Direct costs</b>	-	-	-	n/a	n/a	n/a
<b>Gross profit</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Other income</b>	<b>16,287</b>	32,999	(16,711)	-51%	n/a	n/a
<b>Gross income</b>	<b>16,287</b>	32,999	(16,711)	-51%	n/a	n/a
<b>General &amp; administrative costs</b>	<b>11,006,781</b>	3,743,742	7,263,038	194%	n/a	n/a
<b>Operating loss</b>	<b>₱ (10,990,494)</b>	₱ (3,710,743)	7,279,751	196%	n/a	n/a
<b>Finance income</b>	-	-	-	n/a	n/a	n/a
<b>Finance cost</b>	<b>697,858</b>	71,427	116,482	877%	n/a	n/a
<b>Loss before tax benefit</b>	<b>₱ (11,688,352)</b>	₱ (3,782,170)	7,906,182	209%	n/a	n/a
<b>Income tax benefit</b>	-	-	-	n/a	n/a	n/a
<b>Loss for the year</b>	<b>₱ (11,688,352)</b>	₱ (3,782,170)	(7,906,182)	209%	n/a	n/a

### *Other income*

Other income pertains to interest earned from banks.

### *General & Administrative Costs*

The tremendous increase of 194% from 2017 is due primarily to the increase in taxes and licenses (resulting from increase in paid-up capital), increase in board meetings at per diem and meals, transportation and travel, salaries and wages, professional and legal fees.

### *Loss for the Year*

Loss for December 31, 2018 is higher by 209% than December 31, 2017 due to the non- operational status of the Company. There is still no income to sustain the expenses.

### Financial Condition (December 31, 2018 vs. December 31, 2017)

	For the years ended December 31,		Horizontal Analysis		Vertical Analysis	
	2018	2017	Inc (Dec)	%age	2018	2017
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash	₱ 22,386,668	₱ 13,639,872	8,746,795	64%	3%	3%
Advances to suppliers	₱ 90,359,063	42,316,321	48,042,741	114%	13%	10%
Other receivables	₱ 45,647,665	28,971,921	16,675,744	58%	7%	7%
Other current assets	-	60,000	(60,000)	-100%	0%	0%
<b>Total current assets</b>	<b>₱ 158,393,396</b>	₱ 84,988,114	73,405,282	86%	23%	20%
<b>Non-current assets:</b>						
Loans receivable	₱ 60,000,000	₱ 60,000,000	-	0%	9%	14%
Construction-in-progress	₱ 406,705,842	201,406,390	205,299,451	102%	58%	48%
Property & equipment – net	₱ 75,127,796	69,444,000	5,561,568	8%	11%	17%
Intangible asset	₱ 250,000	-	250,000	0%	0%	-
Other noncurrent assets	₱ 7,000	7,000	-	0%	0%	-
<b>Total non-current assets</b>	<b>₱ 542,090,638</b>	₱ 330,857,390	211,233,249	64%	77%	80%
<b>TOTAL ASSETS</b>	<b>₱ 700,484,034</b>	₱ 415,845,504	284,638,530	68%	100%	100%
<b>LIABILITIES &amp; EQUITY</b>						
<b>Current liabilities:</b>						
Accounts payables and other liabilities	₱ 44,549,647	₱ 27,751,909	16,797,737	61%	6%	7%
Deposits for future subscriptions	-	₱ 18,000,000	(18,000,000)	-100%	0%	4%
Reservation deposit	₱ 10,400,000	₱ 10,400,000	-	0%	2%	3%

Notes payable- current	<b>15,133,934</b>	<b>420,908</b>	14,713,026	3496%	2%	0%
<b>Total current liabilities</b>	<b>₱ 70,083,581</b>	<b>₱ 56,572,817</b>	13,510,764	24%	10%	14%
<b>Non-current liabilities:</b>						
Notes payable- noncurrent	<b>406,473,464</b>	<b>180,623,124</b>	225,850,340	125%	58%	43%
Advances from shareholders	<b>105,516,259</b>	<b>66,550,481</b>	38,965,778	59%	15%	16%
<b>Total non-current liabilities</b>	<b>₱ 511,989,723</b>	<b>₱ 247,173,605</b>	264,816,119	107%	73%	59%
<b>Total liabilities</b>	<b>₱ 582,073,304</b>	<b>₱ 303,746,422</b>	278,326,882	92%	83%	73%
<b>Equity:</b>						
Share capital	<b>₱ 138,000,000</b>	<b>₱ 120,000,000</b>	18,000,000	15%	20%	29%
Accumulated losses	<b>(19,589,270)</b>	<b>(7,900,918)</b>	(11,688,352)	148%	-3%	-2%
<b>Total equity</b>	<b>₱ 118,410,730</b>	<b>₱ 112,099,082</b>	6,311,648	6%	17%	27%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>₱ 700,484,034</b>	<b>₱ 415,845,504</b>	284,638,530	68%	100%	100%

### **Total Assets**

Total assets of the Company increased by ₱284.6-million (68%) to ₱700.5-million as of December 31, 2018, from ₱415.8-million as of December 31, 2017, which was primarily related to construction costs incurred for the hospital building and advance payments made to suppliers and contractors under other receivables.

#### *Cash*

Cash increased by ₱8.7-million (64%) in 2018, from ₱13.6-million as of December 31, 2017, to ₱22.4-million as of December 31, 2018, as a result of additional availments of loans from bank mainly for the construction of the hospital building.

#### *Advances to suppliers*

Advances to suppliers increased by ₱48.0-million (114%) in 2018 due to increase in materials required for building construction as well as downpayment on medical equipments.

#### *Other receivables*

Other receivables increased by ₱16.7-million (58%) in 2018, from ₱28.9-million as of December 31, 2017, to ₱45.6-million as of December 31, 2018 due to advance payments made to contractors as progress billings related to the construction increased.

#### *Construction-in-Progress*

As of December 31, 2018, hospital building construction were estimated to be 94% complete. The increase of ₱205.3-million (102%) was the result of additional construction costs and capitalized borrowing costs from the bank loan availed from Landbank.

#### *Property and Equipment*

The Company's property and equipment amounted to ₱75.1-million as of December 31, 2018, representing a 8% increase from the December 31, 2017 balance. Property and equipment consist mainly of land, transportation, office furniture and equipment.

#### *Other noncurrent assets*

No increase or movement during the year for other noncurrent assets account.

### **Total Liabilities**

Total liabilities increased by ₱278.3-million (92%) to ₱582.0-million as of December 31, 2018, from ₱303.7-million as of December 31, 2017, due primarily to additional bank loans and advances from shareholders.

*Accounts payable and other liabilities*

The changes in the account pertain to the increase in retention payable due to periodic progress billings of contractors.

*Deposits for Future Subscription*

The SEC has approved the increase in authorized capital stock in May 2018. Thus, this account was reclassified to equity.

*Notes payable*

Notes payable of the Company is composed of loans from Landbank and loan amortization with another bank amounting to ₱420.0-million and ₱1.6-million, respectively. Loan amortization for transportation equipment purchased in 2017 and 2018 are paid monthly. Both loans are classified into current and noncurrent portion.

The Company obtained a credit line from Landbank amounting to ₱500-million, ₱400-million to finance the construction of the hospital building and ₱100-million to be used for the acquisition of various medical machineries & equipment. The total amount drawn from the credit facility, as at December 31, 2018 was ₱420.0-million. The loans are guaranteed by the Company's land and construction-in-progress, under a real estate mortgage. The loan is also secured by a chattel mortgage on various medical equipment of the Company to be purchased on future loan availment.

Total interest on these loans amounted to ₱15.2-million recognized as a capitalizable borrowing cost in the construction in progress and 0.698-million recognize as finance cost in the statement of comprehensive loss as of December 31, 2018.

*Advances from Shareholders*

This account increased by ₱39.0-million in 2018 due to additional advances made by shareholders during the year to help finance the construction of the building.

When cash levels run low, the Founders would regularly infuse of additional capital to finance specific liabilities that are falling due. These advances are non-interest bearing and unsecured.

*Equity*

The 15% increase in the total equity resulted from additional contribution made by the shareholders due to the increase in capitalization of the Company.

Results of Operations (December 31, 2017 vs. December 31, 2016)

	For the years ended December 31,		Horizontal Analysis		Vertical Analysis	
	2017	2016	Inc (Dec)	%age	2017	2016
<b>Revenues</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Direct costs</b>	-	-	-	n/a	n/a	n/a
<b>Gross profit</b>	₱ -	₱ -	-	n/a	n/a	n/a
<b>Other income</b>	32,999	24,880	8,119	33%	n/a	n/a
<b>Gross income</b>	32,999	24,880	8,119	33%	n/a	n/a
<b>General &amp; administrative costs</b>	(3,743,742)	(1,771,657)	(1,972,086)	111%	n/a	n/a
<b>Operating loss</b>	₱ (3,710,743)	₱ (1,746,777)	(1,963,966)	112%	n/a	n/a

<b>Finance income</b>	-	-	-	n/a	n/a	n/a
<b>Finance cost</b>	<b>(71,427)</b>		-	(71,427)	100%	n/a
<b>Loss before tax benefit</b>	<b>₱ (3,782,170)</b>	₱	<b>(1,746,777)</b>	(2,035,393)	117%	n/a
<b>Income tax benefit</b>	-	-	-	n/a	n/a	n/a
<b>Loss for the year</b>	<b>₱ (3,782,170)</b>	₱	<b>(1,746,777)</b>	(2,035,394)	117%	n/a

#### *General & Administrative Costs*

The increase of 111% in general & administrative costs resulted from the increase in almost all expenses particularly on the following: board meetings and meals, transportation and travel, salaries and allowances, professional and legal fees and miscellaneous expense. These expenses increased by 100% from 2016.

#### ***Loss for the Year***

The increase in losses was due to the increase in general and administrative expenses.

#### Financial Condition (December 31, 2017 vs. December 31, 2016)

As at December 31,			Horizontal Analysis		Vertical Analysis		
2017			2016	Inc (Dec)	%age	2017	2016
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash	₱ 13,639,872	₱	24,584,366	(10,944,494)	45%	3%	10%
Advances to suppliers	42,316,321		-	42,316,321	100%	10%	0%
Other receivables	28,971,921		16,618,422	12,353,499	74%	7%	7%
Other current assets	60,000		60,000	-	0%	0%	0%
<b>Total current assets</b>	<b>₱ 84,988,114</b>	₱	<b>41,262,788</b>	43,725,326	106%	20%	17%
<b>Non-current assets:</b>							
Loans receivable	₱ 60,000,000	₱	60,000,000	-	0%	14%	25%
Construction-in-progress	201,406,390		73,560,820	127,845,570	174%	48%	30%
Property & equipment – net	69,444,000		67,900,606	1,543,394	2%	17%	28%
Other noncurrent assets	7,000		7,000	-	0%	0%	0%
<b>Total non-current assets</b>	<b>₱ 330,857,390</b>	₱	<b>201,468,426</b>	129,388,965	64%	80%	83%
<b>TOTAL ASSETS</b>	<b>₱ 415,845,504</b>	₱	<b>242,731,214</b>	173,114,290	71%	100%	100%
<b>LIABILITIES &amp; EQUITY</b>							
<b>Current liabilities:</b>							
Accounts payables and other liabilities	₱ 27,751,909	₱	15,272,167	12,479,742	82%	7%	6%
Deposits for future subscriptions	18,000,000		-	18,000,000	100%	4%	0%
Reservation deposit	10,400,000		-	10,400,000	100%	2%	0%
Notes payable- current	420,908		-	420,908	100%	0%	0%
<b>Total current liabilities</b>	<b>₱ 56,572,817</b>	₱	<b>15,272,167</b>	41,300,650	270%	7%	6%
<b>Non-current liabilities:</b>							
Accounts payable- non current	₱ -	₱	12,416,100	(12,416,100)	100%	0%	5%
Notes payable- non current	180,623,124		60,000,000	120,623,124	201%	43%	25%
Advances from shareholders	66,550,481		88,561,694	(22,011,213)	25%	16%	36%
<b>Total non-current liabilities</b>	<b>₱ 247,173,605</b>	₱	<b>160,977,794</b>	86,195,811	54%	59%	66%
<b>Total liabilities</b>	<b>₱ 303,746,422</b>	₱	<b>176,249,961</b>	127,496,460	72%	73%	73%
<b>Equity:</b>							
Share capital	₱ 120,000,000	₱	70,600,000	49,400,000	70%	29%	29%
Accumulated losses	(7,900,918)		(4,118,747)	(3,782,170)	92%	-2%	-2%
<b>Total equity</b>	<b>₱ 112,099,082</b>	₱	<b>66,481,253</b>	45,617,830	69%	27%	27%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>₱ 415,845,504</b>	₱	<b>242,731,214</b>	173,114,290	71%	100%	100%

### **Total Assets**

Total assets of the Company increased by ₦173.1-million (71%) from ₦242.7-million as of December 31, 2016 to ₦415.8-million as of December 31, 2017, was primarily due to the additional construction costs incurred for the hospital building and advance payments made to suppliers of medical equipment and contractors.

#### *Cash*

Cash decreased by ₦10.9-million (45%) in 2017, from ₦24.5-million as of December 31, 2016, to ₦13.6-million as of December 31, 2017, due to higher expenditures on the construction of the hospital building.

#### *Advances to suppliers*

Advances to suppliers increased by ₦42.3-million (100%) in 2017 due to increase in materials required for building construction as well as downpayment on medical equipment.

#### *Other receivables*

Other receivables increased by ₦12.3-million (74%) in 2017, from ₦16.6-million as of December 31, 2016, to ₦28.9-million as of December 31, 2017 due to advance payments made to contractors as progress billings related to the construction cost increased.

#### *Construction-in-Progress*

As of December 31, 2017, hospital building construction were estimated to be 69% complete. The increase of ₦127.8-million (174%) was the result of additional construction costs and capitalized borrowing costs from the bank loan availed from Landbank.

#### *Property and Equipment*

The Company's property and equipment amounted to ₦69.4-million as of December 31, 2017, representing a 2% increase from the December 31, 2016 balance. Property and equipment consist mainly of land, transportation, office furniture and equipment.

Land is initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Freehold land is not depreciated.

### **Total Liabilities**

Total liabilities increased by ₦127.4-million (72%) to ₦303.7-million as of December 31, 2017, from ₦176.2-million as of December 31, 2016, which was primarily due to availment of bank loans and receipts of deposits for future subscription.

#### *Accounts payable and other liabilities*

This account mainly comprised of retention payable, accounts payable- land, and interest payable. The increase of 82% was mainly caused by the progress billings withheld by the Company which will only be remitted upon acceptance of certificate of completion.

#### *Deposits for Future Subscription*

Deposits for future subscription were collected from existing shareholders under a Subscription Agreement to issue specified number of common shares. These were classified as current liabilities since the Company has not yet complied with all the criteria pursuant to SEC Financial Reporting Bulletin 006 to be classified as equity.

#### *Reservation deposit*

Reservation deposit were collected from third parties and individuals under an agreement to issue specified number of common shares.

#### *Notes payable*

Notes payable of the Company composed of loans from Landbank and loan amortization amounting to ₦1.0-million paid monthly amortization for transportation equipment purchased in 2017, currently classified into current and noncurrent.

The Company obtained a credit line from Landbank amounting to ₦500-million, ₦400-million to finance the construction of the hospital building and ₦100-million to be used for the acquisition of various medical machineries & equipment. The total amount drawn from the credit facility, as at December 31, 2017 and 2016, amounted to ₦180.0-million and ₦60.0-million, respectively. The loans are guaranteed by the Company's land and construction-in-progress, under real estate mortgage. The loan is also secured by a chattel mortgage on various medical equipment of the Company to be purchased on future loan availments.

Total interest on these loans amounted to ₦6.1-million and ₦1.5-million for the years ended December 31, 2017 and 2016, which were capitalized in Construction-in-Progress.

#### *Advances from Shareholders*

The account decreased by ₦22.0-million in 2017 despite of the additional advances of shareholders during the year, due to the decision of the BOD to convert advances from shareholders to equity in full payment of stock subscription of certain shareholders.

When cash levels run low, the Founders would regularly call for infusion of additional capital to finance specific liabilities that are falling due. These advances are non-interest bearing and unsecured.

#### *Equity*

The 69% increase in total equity resulted from the additional paid up capital during the year 2017.

#### Results of Operations (December 31, 2016 vs. December 31, 2015)

	For the years ended December 31,		Horizontal Analysis		Vertical Analysis	
	2016	2015	Inc (Dec)	%age	2016	2015
<b>Revenues</b>	₦	– ₦	–	–	n/a	n/a
<b>Direct costs</b>	–	–	–	–	n/a	n/a
<b>Gross profit</b>	₦	– ₦	–	–	n/a	n/a
<b>Other income</b>	24,880	28,622	(3,742)	-13%		
<b>Gross income</b>	₦	24,880 ₦	28,622	(3,742)	-13%	n/a
<b>General &amp; administrative expenses</b>	(1,771,657)	(1,564,952)	206,705	13%	n/a	n/a
<b>Operating loss</b>	₦	(1,746,777) ₦	(1,536,330)	210,447	14%	n/a
<b>Finance income</b>	-	-	-	n/a	n/a	n/a
<b>Loss before tax benefit</b>	₦	(1,746,777) ₦	(1,536,330)	210,447	14%	n/a
<b>Income tax benefit</b>	-	-	-	n/a	n/a	n/a
<b>Loss for the year</b>	₦	(1,746,777) ₦	(1,536,330)	210,447	14%	n/a

#### *General & Administrative Expenses*

The increase of 14% in general & administrative costs resulted from the increase in board meetings and meals, salaries and wages and transportation and travel expenses.

### ***Loss for the Year***

The increase in losses was due to the increase in general and administrative expenses.

### Financial Condition (December 31, 2016 vs. December 31, 2015)

As at December 31,			Horizontal Analysis		Vertical Analysis	
2016		2015	Inc (Dec)	%age	2016	2015
<b><u>ASSETS</u></b>						
<b>Current assets:</b>						
Cash	₱ 24,584,366	₱ 21,838,826	2,745,540	13%	10%	26%
Advances to suppliers	-	-	-	0%	0%	0%
Other receivables	16,618,422	18,053,032	(1,434,610)	-8%	7%	22%
Other current assets	60,000	-	60,000	100%	0%	0%
<b>Total current assets</b>	<b>₱ 41,262,788</b>	<b>₱ 39,891,858</b>	<b>1,370,930</b>	<b>3%</b>	<b>17%</b>	<b>48%</b>
<b>Non-current assets:</b>						
Construction-in-progress	₱ 73,560,820	₱ 16,534,159	57,026,661	345%	30%	20%
Loans receivable	60,000,000	-	60,000,000	100%	25%	0%
Property & equipment – net	67,900,606	26,137,102	41,763,504	160%	28%	32%
Other noncurrent assets	7,000	7,000	-	0%	0%	0%
<b>Total non-current assets</b>	<b>₱ 201,468,426</b>	<b>₱ 42,678,261</b>	<b>158,790,165</b>	<b>372%</b>	<b>83%</b>	<b>52%</b>
<b>TOTAL ASSETS</b>	<b>₱ 242,731,214</b>	<b>₱ 82,570,119</b>	<b>161,235,285</b>	<b>195%</b>	<b>100%</b>	<b>100%</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>						
<b>Current liabilities:</b>						
Accounts payable and other liabilities	₱ 15,272,167	₱ 233,565	15,038,602	6439%	6%	0%
Reservation deposit	-	-	-	-	0%	0%
Notes payable- current	-	-	-	-	0%	0%
Deposit for future subscription	-	-	-	-	0%	0%
<b>Total current liabilities</b>	<b>₱ 15,272,167</b>	<b>₱ 233,565</b>	<b>15,038,602</b>	<b>6439%</b>	<b>6%</b>	<b>0%</b>
<b>Non-current liabilities:</b>						
Accounts payable- noncurrent	₱ 12,416,100	₱ -	12,416,100	100%	5%	0%
Notes payable- noncurrent	60,000,000	-	60,000,000	100%	25%	0%
Advances from shareholders	88,561,694	54,108,525	34,453,169	64%	36%	66%
<b>Total non-current liabilities</b>	<b>₱ 160,977,794</b>	<b>₱ 54,108,525</b>	<b>106,869,269</b>	<b>198%</b>	<b>66%</b>	<b>66%</b>
<b>Total liabilities</b>	<b>₱ 176,249,961</b>	<b>₱ 54,342,090</b>	<b>121,907,871</b>	<b>224%</b>	<b>73%</b>	<b>66%</b>
<b>Equity:</b>						
Share capital	₱ 70,600,000	₱ 30,600,000	40,000,000	131%	29%	37%
Accumulated losses	(4,118,747)	(2,371,971)	(1,746,777)	74%	-2%	-3%
<b>Total equity</b>	<b>₱ 66,481,253</b>	<b>₱ 28,228,029</b>	<b>38,253,223</b>	<b>136%</b>	<b>27%</b>	<b>34%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>₱ 242,731,214</b>	<b>₱ 82,570,119</b>	<b>160,161,096</b>	<b>194%</b>	<b>100.0%</b>	<b>100.0%</b>

### ***Total Assets***

Total assets of the Company increased by ₱161.2-million (195%) to ₱242.7-million as of December 31, 2016, from ₱82.6-million as of December 31, 2015, which was primarily due to additional construction costs incurred for the hospital building and loans granted to related parties.

### ***Cash***

Cash increased by ₱2.7-million (13%) in 2016, from ₱21.8-million as of December 31, 2015, to ₱24.5-million as of December 31, 2016, due to availment of additional bank loans and receipts from shareholders.

*Other receivables*

Other receivables decreased by ₱1.4-million (8%) in 2016, from ₱18.0-million as of December 31, 2016, to ₱16.6-million as of December 31, 2015 due to decrease in advances made to contractors applying these advances to their progress billings.

*Loans receivable*

Loans were made to related parties during 2016.

*Construction-in-Progress*

The increase of ₱57.0-million (345%) was the result of additional construction costs and capitalized borrowing costs from the bank loan availed from Landbank.

*Property and Equipment*

The Company's property and equipment amounted to ₱67.9-million as of December 31, 2016, representing a 160% increase from the December 31, 2015 balance. Property and equipment consist mainly of land and office furniture and equipment.

Land is initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Freehold land is not depreciated.

***Total Liabilities***

Total liabilities increased by 121.9-million (224%) to ₱176.2-million as of December 31, 2016, from ₱54.3-million as of December 31, 2015, which was due to additional availment of bank loans and advances made by shareholders.

*Accounts payable and other liabilities*

This account mainly comprised of retention payable, accounts payable- land, and interest payable. The increase of 6439% was caused by the progress billings withheld by the Company which will only be remitted upon acceptance of certificate of completion. Additionally, accounts payable related to the installment purchase of land amounting to ₱45.1-million was recognized during the year.

*Notes payable*

The Company obtained a credit line from Landbank to finance the construction of the hospital building and acquisition of various medical machineries & equipment. The total amount drawn from the credit facility as of December 31, 2016 amounted to ₱60.0-million. The loans are guaranteed by the Company's land and construction-in-progress under a real estate mortgage. The loan is also secured by a chattel mortgage on various medical equipment of the Company to be purchased on future loan availments.

Total interest on these loans amounted to ₱1.5-million for the year ended December 31, 2016.

*Advances from Shareholders*

Advances from shareholders increased by ₱34.4-million (64%) in 2016. The proceeds were used as additional funding for land acquisition and additional construction cost for the year.

***Equity***

The 136% increase in total equity resulted from additional paid up capital during the year.

## Summary Financial Information

Prospective purchasers of the Offer should read the summary financial data below together with the financial statements, including the notes thereto, included in this Prospectus and "Management's Discussion and Analysis of Results of Operations and Financial Condition". The summary financial data for the three-months period ended March 31, 2019 and for the years ended December 31, 2018, 2017, and 2016 are derived from the audited financial statements of ACE Medical Center – Tacloban, Inc., including the notes thereto.

The summary of financial and operating information of ACE Medical Center – Tacloban, Inc. presented below as of and for the three-months period ended March 31, 2019 and for the years ended December 31, 2018, 2017, and 2016 were derived from the financial statements of ACE Medical Center – Tacloban, Inc., audited by Dimaculangan, Dimaculangan and Co., CPAs and Mrs. Lagrimas Ong and have been prepared in compliance with the Philippine Financial Reporting Standards ("PFRS"). The information below should be read in conjunction with the financial statements of ACE Medical Center – Tacloban, Inc. and the related notes thereto, which are included in Exhibit "G" and "G-1" of this Final Prospectus. The historical financial condition, results of operations and cash flows of ACE Medical Center – Tacloban, Inc. are not a guarantee of its future operating and financial performance.

### ***Statements of Income Data***

For the Three Months Period Ended March 31,		
	2019	2018
Revenues	P -	P -
Direct costs	-	-
Gross profit	-	-
Other income	6,003,360	3,611
Gross income	6,003,360	3,611
General and administrative expenses	11,948,791	1,604,690
Loss from operations	(5,945,431)	(1,601,079)
Finance cost	1,778,247	91,285
Loss before income tax	(7,723,678)	(1,692,364)
Income tax expense	-	-
Net loss for the year	(7,723,678)	(1,692,364)
Add (deduct) comp income (loss)	-	-
Net comprehensive loss for the year	P (7,723,678)	P (1,692,364)

For the years ended December 31,			
	2018	2017	2016
Revenues	P -	P -	P -
Direct costs	-	-	-
Gross profit	-	-	-
Other income	16,287	32,999	24,880
Gross income	16,287	32,999	24,880
General and administrative expenses	11,006,781	3,743,742	1,771,657
Loss from operations	(10,990,494)	(3,710,743)	(1,746,777)
Finance cost	697,858	71,427	-
Loss before income tax	(11,688,352)	(3,782,170)	(1,746,777)
Income tax expense	-	-	-
Net loss for the year	(11,688,352)	(3,782,170)	(1,746,777)

Add (deduct) comp income (loss)	-	-	-
Net comprehensive loss for the year	P (11,688,352)	P (3,782,170)	P (1,746,777)

**Statements of Financial Position Data**

	March 31, 2019	Restated balance December 31, 2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	P 17,761,517	P 22,386,668
Advances to suppliers	28,491,769	90,359,063
Other receivables	46,575,008	45,647,665
Prepayments and other current asset	1,560,603	-
	P 94,388,897	P 158,393,396
<b>Noncurrent Assets</b>		
Loans receivable	P 35,000,000	P 39,000,000
Property and equipment (net)	279,056,022	93,473,220
Construction-in-progress	461,196,223	406,705,842
Intangible asset	250,000	250,000
Other noncurrent assets	7,000	7,000
	P 775,509,245	P 539,436,062
<b>TOTAL ASSETS</b>	P 869,898,142	P 697,829,458
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities	P 112,559,758	P 44,549,647
Reservation deposit	10,400,000	10,400,000
Notes payable- current	20,987,418	15,133,934
	P 143,947,176	P 70,083,581
<b>Noncurrent Liabilities</b>		
Accounts payable- non current	P 13,027,662	P -
Notes payable- non current	489,216,029	406,473,464
Advances from shareholders	110,957,299	105,516,259
	P 613,200,990	P 511,989,723
<b>TOTAL LIABILITIES</b>	P 757,148,166	P 582,073,304
<b>Equity</b>		
Share capital	P 138,000,000	P 138,000,000
Revaluation reserve	23,062,924	18,345,424
Deficit	(33,312,948)	(19,589,270)
	P 112,749,976	P 115,756,154
<b>TOTAL LIABILITIES AND EQUITY</b>	P 869,898,142	P 697,829,458

As at December 31,

	2018	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	P 22,386,668	P 13,639,872	P 24,584,366
Advances to suppliers	90,359,063	42,316,321	-
Other receivables	45,647,665	28,971,921	16,618,422
Other current assets	-	60,000	60,000
	P 158,393,396	P 84,988,114	P 41,262,788
<b>Noncurrent Assets</b>			
Loans receivable	P 60,000,000	P 60,000,000	P 60,000,000
Property and equipment (net)	75,127,796	69,444,000	67,900,606
Construction-in-progress	406,705,842	201,406,390	73,560,820
Intangible asset	250,000		
Other noncurrent assets	7,000	7,000	7,000
	P 542,090,638	P 330,857,391	P 201,468,426
<b>TOTAL ASSETS</b>	P 700,484,034	P 415,845,504	P 242,731,214
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and other liabilities	P 44,549,647	P 27,751,909	P 15,272,167
Reservation deposit	10,400,000	10,400,000	-
Notes payable- current	15,133,934	420,908	-
Deposit for future subscription	-	18,000,000	-
	P 70,083,581	P 56,572,817	P 15,272,167
<b>Noncurrent Liabilities</b>			
Accounts payable- non current	P -	P -	P -
Notes payable- non current	406,473,464	180,623,124	60,000,000
Advances from shareholders	105,516,259	66,550,481	88,561,694
	P 511,989,723	P 247,173,605	P 160,977,794
<b>TOTAL LIABILITIES</b>	P 582,073,304	P 303,746,422	P 176,249,962
<b>Equity</b>			
Share capital	P 138,000,000	P 120,000,000	P 70,600,000
Deficit	(19,589,270)	(7,900,918)	(4,118,747)
	P 118,410,730	P 112,099,082	P 66,481,253
<b>TOTAL LIABILITIES AND EQUITY</b>	P 700,484,034	P 415,845,504	P 242,731,214

***Statements of Cash Flows Data***

For the Three Months Period Ended March 31,		
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		

Loss before tax	P (13,723,678)	(1,692,364)
Adjustments to reconcile net receipts to net cash used in operating activities:		
Depreciation	5,023,702	61,050
Interest income	(3,360)	(3,611)
Operating cash flows before changes in working capital	(8,703,336)	(1,634,925)
Decrease (increase) in current assets:		
Advances to suppliers	61,867,294	(11,221,726)
Receivable	(927,343)	(57,085,411)
Other current assets	(1,560,603)	-
Increase (decrease) in current liabilities:		
Payables	68,010,112	(1,916,838)
Net cash used in operations	118,686,124	(71,858,900)
Interest received	3,360	3,611
<b>Net cash used in operating activities</b>	<b>118,689,484</b>	<b>(71,855,289)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(185,889,004)	(69,550)
Additions to construction in progress	(54,490,382)	(4,388,974)
Decrease in other noncurrent asset	-	(90,000)
Increase in other noncurrent liabilities	13,027,662	942,003
<b>Net cash used in investing activities</b>	<b>(227,351,724)</b>	<b>(3,606,521)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan receivable	10,000,000	-
Proceeds of bank loan	88,800,000	58,955,968
Payment of bank loan	(203,951)	-
Proceeds from advancesfrom shareholders	5,441,040	15,537,585
<b>Net cash provided by financing activities</b>	<b>104,037,089</b>	<b>74,493,553</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,625,151)</b>	<b>(968,257)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>22,386,668</b>	<b>13,639,872</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>P 17,761,517</b>	<b>P 12,671,615</b>

	Year Ended December 31,		
	2018	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax	P (11,688,352)	(3,782,170)	(1,746,777)
Adjustments to reconcile net receipts to net cash used in operating activities:			
Depreciation	244,199	137,220	50,277
Interest income	(16,287)	(32,999)	(24,880)
Operating cash flows before changes in working capital	(11,460,440)	(3,677,949)	(1,721,380)

<b>Decrease (increase) in current assets:</b>			
Advances to suppliers	(48,042,741)	(42,316,321)	-
Receivable	(16,675,744)	(12,353,499)	1,434,610
Other current assets	60,000	-	(60,000)
<b>Increase (decrease) in current liabilities:</b>			
Payables	16,797,736	63,642	27,454,702
Net cash used in operations	(59,321,189)	(58,284,126)	27,107,932
Interest received	16,287	32,999	24,880
<b>Net cash used in operating activities</b>	<b>(59,304,902)</b>	<b>(58,251,127)</b>	<b>27,132,812</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment	(5,927,995)	(1,680,614)	(41,813,780)
Additions to construction in progress	(205,299,451)	(127,845,570)	(57,026,662)
Additions to intangible asset	(250,000)	-	-
<b>Net cash used in investing activities</b>	<b>(211,477,446)</b>	<b>(129,526,184)</b>	<b>(98,840,442)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Additional share capital	18,000,000	49,400,000	40,000,000
Loan receivable	-	-	(60,000,000)
Proceeds of deposit for future subscription	(18,000,000)	18,000,000	-
Proceeds from reservation deposit	-	10,400,000	-
Proceeds of bank loan	240,563,366	121,044,032	60,000,000
Proceeds from advances from shareholders	38,965,778	27,388,787	74,453,169
Conversion of liability to equity	-	(49,400,000)	(40,000,000)
<b>Net cash provided by financing activities</b>	<b>279,529,144</b>	<b>176,832,819</b>	<b>74,453,169</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8,746,796</b>	<b>(10,944,493)</b>	<b>2,745,539</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>13,639,872</b>	<b>24,584,366</b>	<b>21,838,826</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>P 22,386,668</b>	<b>P 13,639,872</b>	<b>P 24,584,366</b>

#### Information on Independent Accountant and other Related Matters

##### External Audit Fees and Services

41. The External Auditor has rendered (select all that apply):

<input checked="" type="checkbox"/>	audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years
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	Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.
	The audit committee has approved the above-mentioned services

42. The aggregate fees billed are shown below

Fees approved in connection with the assurance rendered by Dimaculangan, Dimaculangan and Co. CPAs pursuant to the regulatory and statutory requirements for the years ended December 31, 2018 and 2017 amounts to ₱190,000.00, exclusive of 10% out-of-pocket expenses (OPEs) and 12% value-added tax (VAT). Mrs. Lagrimas Ong's fees in connection with the assurance rendered for the years ended December 31, 2016 and 2015 amounts to ₱33,600.00, inclusive of 12% VAT.

Year	2018	2017
Audit Fees	₱190,000.00	₱336,000.00
Tax Fees	-	-
All Other Fees	-	-

#### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

43. The Issuer has no disagreement with its external auditor on any matter regarding (select all that apply):

<input checked="" type="checkbox"/>	Accounting principles or practices
<input checked="" type="checkbox"/>	Financial statement disclosures
<input type="checkbox"/>	Auditing scope or procedure

There were no disagreements with Dimaculangan, Dimaculangan and Co. CPAs and Mrs. Lagrimas Ong for the years 2018, 2017, and 2016 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

Note 3, *Transition to the PFRS*, to the financial statements provide discussion on the change in the financial reporting framework, pursuant to the Securities Regulation Code Rule 68, as Amended (2011), including adjustments made on prior period correction of errors.

#### **Taxation**

44. Describe any material tax consequences to Investors in this Offering:

This is just a summary of the material discussion on the taxation under the National Internal Revenue Code (NIRC), as amended by the TRAIN law, as a consequence of an investment in the Offer Securities. The discussion does not deal with all possible tax, consequences relating to an investment in common stocks and does not purport to deal with the tax consequences applicable to all categories, some of which may be subject to special rules.

As a general rule, all incomes derived from the Philippines are subject to income tax laws, except for some instances as specifically provided for by the National Internal Revenue Code and the TRAIN Law. Such income may be subject to a fixed rate or staggered rate as the case may be.

Net capital gains realized from selling of securities other than those traded in the stock exchange is subject to tax of 15% on the net capital gain. An exception of this would be those provisions of tax treaties. Also, value added tax is imposed on every sale or other disposition, in the course of trade or business, of tangible or intangible property based on the gross selling price or gross value in money of the goods or properties sold. If the seller of shares is a dealer of securities, this sale is subject to such value added tax.

**Documentary Stamp Tax (DST).** Upon the original issuance of ACE Medical Center- Tacloban, Inc. shares, DST will be imposed at a rate of P2.00 for every P200 or a fractional part of the par value of the shares to be issued. DST is payable on or before the 5<sup>th</sup> day of the month following the corporation's acceptance of the stock subscription. The secondary transfer of ACE Medical Center- Tacloban, Inc.'s shares is subject to documentary stamp tax at a rate of P1.50 on each P200 or fractional part thereof of the par value of the share transferred.

**Tax on Capital Gains** on the subsequent sale of the ACE Tacloban shares is subject to Capital Gains Tax. The law provides that a 15% final tax is imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold or disposed of through the stock exchange [Sec. 28 (6) (5) (c) NIRC as amended]

**Tax on Interest Income.** Interest income earned and received by ACE Tacloban from time deposits on excess cash is subject to a final withholding tax rate of 20% [Sec. 27 (D) (1), NIRC as amended].

**Tax on Dividend.** The NIRC imposes a final tax of 10% upon the cash and/or property dividends actually or constructively receives by the individual from domestic corporation (Sec. 24 (B) (2)). However, if the recipient of the dividend is a domestic corporation, the dividend received shall not be subject to tax [Sec. 27 (D) (4)].

**Value Added Taxes.** Sec. 105 of RA 8424 enumerates those liable to the Value Added Tax, they are: (1) those who in the course of trade or business, sells, barter, exchanges, leases goods or properties, renders services; and (2) any person who imports goods.

## **INDEPENDENT AUDITORS AND COUNSELS**

### **Independent Auditors**

Dimaculangan, Dimaculangan and Co. CPAs was engaged by the Company to audit the Company's financial statements for three-months period March 31, 2019 and the years ended December 31, 2018 and 2017 and Mrs. Lagrimas Ong was engaged for the financial statements audit for the year ended December 31, 2016. Their responsibility is to express an opinion on these financial statements based on their audits conducted in accordance with Philippine Standards on Auditing.

Dimaculangan, Dimaculangan and Co. CPAs has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Hospital. These independent public accountants will not receive any direct or indirect interest in the Hospital and in any securities thereof (including options, warrants, or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The Board and Management of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements

There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

### **Legal Matters**

All legal opinions/matters in connection with the issuance of each Offer will be passed upon by Atty. Ronald Renitz V. Ilas for the Company. Atty. Ilas has no direct interest in the Company.

Atty. Ilas may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that it does not conflict with other services he provides to his other clients.

### **OTHER MATERIAL FACTORS**

Describe any other material factors that will or could affect the Issuer or its business or which are necessary to make any other information in this Statement not misleading or incomplete.