

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **SEPTEMBER 30, 2022**
2. Commission identification number: **CS201612055** 3. BIR Tax Identification No.: **009-317-037-000**

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

4. Exact name of issuer as specified in its charter

SOUTH COTABATO, PHILIPPINES

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

2nd FLR, GENMEDEX, SANTIAGO BLVD, GENERAL SANTOS CITY

7. Address of issuer's principal office

9500

Postal Code

8. Issuer's telephone number, including area code: **(083) 553-0605**
9. Former name, former address and former fiscal year, if changed since last report—**Not Applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

	<u>Number of Shares</u>	<u>Outstanding Debt</u>
Founder Shares	600	
Common Shares	179,400	
Preferred Shares	60,000	
Amount of Outstanding Debt		P 265,029,312

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

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

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements (FS) of the Company for the 3rd Quarter of 2022 is incorporated herein. (ANNEX A)

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

MANAGEMENT DISCUSSIONS AND ANALYSIS OR PLAN OF OPERATIONS

Results of Operations (September 30, 2022 vs September 30, 2021)									
				For the 6 Months Ended September 30		Horizontal Analysis		Vertical Analysis	
				2022	2021	Inc./Dec.	%	2022	2021
Revenue				0	0	0	0%	NA	NA
Direct Cost				0	0	0	0%	NA	NA
Gross Profit				0	0	0	0%	NA	NA
Other Income				3,656	60,786	(57,130)	-94%	NA	NA
Gross Income				3,656	60,786	(57,130)	-94%	NA	NA
General and Admin Expenses				13,738,210	10,538,925	3,199,285	30%	NA	NA
Loss From Operations				(13,734,554)	(10,478,139)	(3,256,415)	31%	NA	NA
Finance Cost				0	0	0	0%	NA	NA
Net Loss Before Income Tax				(13,734,554)	(10,478,139)	(3,256,415)	31%	NA	NA
Income Tax Expense				0	0	0	0%	NA	NA
Net Loss for The Year				(13,734,554)	(10,478,139)	(3,256,415)	31%	NA	NA
Other Comprehensive Income/(Loss) for the Yea				0	0	0	0%	NA	NA
Total Comprehensive Loss for the Year				(13,734,554)	(10,478,139)	(3,256,415)	31%	NA	NA

Other Income

The hospital is not yet operating, thus, no operational income has been recognized. The other income reflected is the interest income earned by the company from bank deposits.

General and Administrative Expenses

Despite the fact that the hospital is not yet operational, there are still administrative costs that were incurred. The figures reflected for September 2022 were somehow higher than that of September 2021. CoVID 19 cases in 2022 has gone down drastically, thus, transactions have been easier and lighter. There have been more travels during the year as well as face to face meetings and transactions.

Below are the admin and general expenses of the company until September 30, 2022:

	For the 9 Months Ended September 30		Horizontal Analysis	
	2022	2021	Inc./ (Dec.)	%
	Salaries and Allowances	8,336,969	6,383,408	1,953,561
Honorarium	3,805,000	2,102,500	1,702,500	81%
Professional Fees	500,690	692,303	(191,613)	-28%
Transportation and Travel	279,445	690	278,755	40399%
Advertising and Promotions	122,401	136,319	(13,918)	0%
Office Supplies	87,539	64,398	23,141	36%
Depreciation	66,760	105,818	(39,058)	-37%
Board Meetings and Meals	12,162	24,470	(12,308)	0%
SSS/PHIC/HDMF Contributions	73,835	75,194	(1,359)	-2%
Communications, Light, & Water	8,959	31,362	(22,403)	-71%
Rentals	180,000	0	180,000	0%
Taxes and Licenses	46,768	54,287	(7,519)	-14%
Trainings and Seminars	0	709,708	(709,708)	-100%
Bank Service Charge	200	50	150	0%
Fuel Expenses	37,196	18,180	19,016	0%
Miscellaneous	180,286	140,238	40,048	29%
TOTALS	13,738,210	10,538,925	3,199,285	30%

Net Loss

Administrative and general expenses caused the company to reflect losses and deficits along the way as there is still no operating income to cover these expenditures. To date, the hospital is still under construction and not yet in operation.

Financial Condition (September 30, 2022 vs September 30, 2021)							
ASSETS	As at September 30		Horizontal Analysis		Vertical Analysis		
	2022	2021	Inc./ (Dec.)	%	2022	2021	
CURRENT ASSETS							
Cash & Cash Equivalents	2,277,759	3,100,464	(822,705)	-26.53%	0.37%	0.69%	
Advances to Contractors & Suppliers	24,901,600	0	24,901,600	0.00%	3.99%	0.00%	
Receivables - Others	20,000	156,700	(136,700)	-87.24%	0.00%	0.03%	
Prepayments	20,000	0	20,000	0.00%	0.00%	0.00%	
	27,219,359	3,257,164	23,962,195	735.68%	4.36%	0.69%	

NON-CURRENT ASSETS								
Property and Equipment (net)		90,850,314	90,952,346	(102,032)	-0.11%	14.57%	20.31%	
Construction-In-Progress		505,592,899	353,707,744	151,885,155	42.94%	81.07%	78.97%	
		596,443,213	444,660,090	151,783,123	34.13%	95.64%	99.27%	
TOTAL ASSETS		623,662,572	447,917,254	175,745,318	39.24%	99.99%	99.97%	
LIABILITIES AND EQUITY		As at September 30		Horizontal Analysis		Vertical Analysis		
		2022	2021	Inc./ (Dec.)	%	2022	2021	
CURRENT LIABILITIES								
Accounts Payable and Other Liabilities		33,187,312	23,404,962	9,782,350	41.80%	5.32%	5.23%	
NON-CURRENT LIABILITIES								
Notes Payable		204,092,000	124,992,000	79,100,000	63.28%	32.72%	27.91%	
Advances from Shareholders		27,750,000	0	27,750,000	0.00%	4.45%	0.00%	
		231,842,000	124,992,000	106,850,000	85.49%	37.17%	27.91%	
TOTAL LIABILITIES		265,029,312	148,396,962	116,632,350	78.59%	42.50%	33.13%	
EQUITY								
Share Capital (net)		153,210,000	149,180,000	4,030,000	2.70%	24.57%	33.31%	
Share Premium		219,226,495	147,277,140	71,949,355	48.85%	35.15%	32.88%	
Revaluation Increment on Land		51,301,213	51,301,213	0	0.00%	8.23%	11.45%	
Deficit		(65,104,448)	(48,238,061)	(16,866,387)	34.96%	-10.44%	-10.77%	
		358,633,260	299,520,292	59,112,968	19.74%	57.50%	66.87%	
TOTAL LIABILITIES AND EQUITY		623,662,572	447,917,254	175,745,318	39.24%	100.00%	100.00%	

ASSETS

Cash and Cash Equivalent

The construction of the hospital is in full swing, company resources are channeled to this construction which is now 44.90% completed. Cash has been maintained on a low balance because of this construction.

Advances and Other Receivables

Advances to contractors and suppliers were recognized to segregate items that are collectible against a specific entity or person. These collectibles are gradually recouped from contractors against progress billings on established contracts. As of September 2022, total advances to suppliers and contractors amount to P24.9M.

Property and Equipment

Valuation of the land remains the same. And there is not much movement in the property and equipment account since the hospital machines and equipment were not yet purchased. Decreases were due to mandatory depreciation expenses.

Construction in Progress

Construction percentage of completion stands at 44.90%. As of September 30, 2022, the construction in progress account amounts to P505.6M, This is P151.9M (42.94%) higher than the previous year's figures.

LIABILITIES AND EQUITY

Accounts Payable

Total accounts payable amount to P33.2M. This account is composed of the following:

Accrued Expenses Payable	10,446,685.63	31.48%
Retention Payable	19,715,000.00	59.51%
Governmental Liabilities	488,361.11	1.47%
Other Accounts Payable	2,536,865.03	7.64%
Total	<u>33,187,311.77</u>	<u>100.00%</u>

Loans Payable

Land Bank was able to release a total of P79.1M in favor of the company for the 1 year period Oct 2021 to Sept 2022. As at end of September 2022, total loan balance from LBP amounts to P204.092M.

Share Capital

As of the end of June 2022, total paid in capital amounted to 153.210M or 63.84% of the total outstanding shares. 15,210 shares were subscribed by various investors via IPO.

Share Premium

Amount generated in excess of the par value of sold shares total to P219.2M (net of subscriptions receivable).

Revaluation Increment on Land

The company uses the same valuation on its land for the last 3 years. Should there be new valuations on said property, the same will be reflected in this account.

Deficit

The hospital is not yet operational, thus, the deficits incurred. As of September 2022, total deficit reflected amounts to P 65.1M.

Key Performance Indicators

	September 30, 2022	September 30, 2021
1 Quick Asset Ratio		
Cash + Cash Equivalent + Current Accounts Receivable / Current Liabilities	0.82 : 1	0.14 : 1

2 **Current Asset Ratio**

Current Assets / Current
Liabilities

0.82 : 1

0.14 : 1

Based on the numbers above, both the Quick Asset and Current Ratios posted a relatively low figure. This is because most of the resources (especially cash) of the company are being channeled to the construction of the hospital which is now 44.90% completed. In 2022, the figures were a little better with 0.82:1, but this is due to the inclusion of advances to contractors, which, though quick and current, is not as liquid as cash.

The figures may not be presenting the best ratios now, but once the hospital opens, it is expected that the numbers will be better and presentations will be more positive.

3 **Debt to Equity Ratio**

Long Term Debt / Equity

0.64 : 1

0.42 : 1

Land Bank released a total of P204.09M loans as of Sept. 30, 2022. These funds were used mainly to fund the on-going construction of the hospital which is now at 44.90% completion rate. As a results of this release, the Long Term Debts of the company increased, thus the 0.64 ratio against the company's equity.

4 **Debt to Total Asset Ratio**

Total Debt / Total Assets

0.43 : 1

0.33 : 1

The company's assets are way over its total debts that stand at 43% in September 2022 and 33% in 2021. Looking at the figures, theoretically speaking, the asset could very well cover the obligations of the company. However, we have to consider that the asset being mentioned is the unfinished building. Given so, the company has to find ways to better its numbers so as to be able to cover fully its obligations.

5 **Asset to Equity Ratio**

Total Assets / Equity

1.74 : 1

1.49 : 1

The asset to equity ratio of the company still shows a favorable figure as at September 2022 and 2021. Funds generated via sale of securities were put into use to finance the project, but for now, the loans from land bank plays the big role in the continued construction of the building.

The founders must find ways to hasten the sale of their securities to help finance the construction of the hospital.

6 **Profitability Ratios**

Cannot be determined yet because of lack of financial data since the hospital is still under construction and not yet operational.

7 **Interest Rate Coverage Ratios**

Cannot be determined yet because of lack of financial data since the hospital is still under construction and not yet operational.

Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues or income

As at September 30, 2022:

1. There are no known material commitments for capital expenditure.
2. There are no known trends, events, or uncertainties that have had an impact on the net operational revenues or income of the company since the hospital has not yet opened.

The long term effect cannot be ascertained yet, but as preparation, ACE MC Gen San already installed various measures to mitigate these effects. Building plans were revisited to see its readiness incase this pandemic continues or anything like it would again hit the country.


3. There are no seasonal aspects that had a material impact on the results of operations of the Company.
4. There are no events or any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Company.
5. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the period.
6. The Company is not a party to any lawsuit or claims arising from the ordinary course of business.

PART II--OTHER INFORMATION


There are no additional material information to be disclosed which were not previously reported under SEC Form 17-C

SIGNATURES

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



Dr. RHODORA G. GAGWIS
Corporate Secretary
Date: November 15, 2022



ELMER Z. SAMORO, CPA
Corporate Accounting Officer
Date: November 15, 2022

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

NOTES TO FINANCIAL STATEMENTS

As at September 30, 2022 and 2021 (Amounts in Philippine Peso)

NOTE 1 - CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – GENSAN INC. (the “Company”) was incorporated as a domestic corporation under Philippine laws and was duly registered with the Securities and Exchange Commission (SEC) under registration no. CS201612055 on June 10, 2016.

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

On June 28, 2019, the SEC En Banc approved the registration application of the Company for 228,000 shares under SEC MSRD Order No.29. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

The registered office of the Company is located at Second Flr. Genmedex, Santiago Blvd. General Santos City, South Cotabato.

Status of Operations

Currently, the Company is constructing a multidisciplinary medical facility (hospital) which was expected to be fully completed by 2023.

The Company has incurred an accumulated deficit of ₱65,104,448 and ₱48,238,061 as at September 30, 2022 and 2021, respectively, as a result of various general and administrative expenses incurred while the Company is still in its pre-commercial operation stage. It is expected to generate positive result upon commencement of its commercial operations.

NOTE 2 - FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION**Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretation Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

Basis of Preparation and Presentation

These financial statements have been prepared on the historical cost basis, except when otherwise stated.

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s financial statements are presented in Philippine Peso (₱), which is the Company’s functional and presentation currency. All values are rounded off to the nearest peso, except when otherwise indicated.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS**Adoption of New and Revised Accounting Standards Effective in 2021**

The Company adopted all applicable accounting standards and interpretations as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed by the Management to be applicable to the Company’s financial statements as follows:

Amendments to PFRS 16, COVID-19-Related Rent Concessions beyond June 30, 2021.

In March 2021, the IASB issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19- related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- b) Any reduction in lease payments affects only payments originally due on or before September 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before September 30, 2022 and increased lease payments that extend beyond September 30, 2022); and
- c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.

Management of the Company has assessed that the adoption of the amendment has no impact on the Company's financial statements as the Company does not have COVID19 related rent concessions.

PIC Q&A No. 2020-07, PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill.

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements for the year ended December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the FS.

For the financial statements ended December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense (income) may include “any adjustments recognized in the period for current tax of prior periods” and “the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes”
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021. Management's assessment on the impact of this interpretation to the Company's financial statements is incorporated in Note 15. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT). Deferred tax assets as at December 31, 2021 were remeasured using 25% RCIT.

Standards Issued but not yet Effective:

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

Amendments to PFRS 3, References to the Conceptual Framework

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendments will not have an impact on the Company's financial statements as the Company does not plan to enter into business combination.

Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statements of comprehensive loss, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statements of comprehensive loss include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – Subsidiary as a first-time adopter

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PFRS 9 – Fees in the '10 percent' test for derecognition of financial liabilities

The amendment clarifies that in applying the '10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Amendments to PAS 41 – Taxation in fair value measurements

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Management is still evaluating the impact of the amendment on the Company's financial statements.

Effective Beginning on or after January 01, 2023

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

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statements of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or service.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Management is still evaluating the impact of the amendments on the Company's financial statements.

PFRS 17, *Insurance Contracts*

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

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
 - a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
 - an amount representing the unearned profit in the group of contracts (the contractual service margin)
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the standard will not have a significant impact on the Company's financial statements as the Company does not issue insurance contracts.

Deferred Effectivity

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

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of

investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

Management is still evaluating the impact of the amendments on the Company's financial statements.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

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

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Company also modifies classification of prior year amounts to conform to current year's presentation.

Fair Value Measurement

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

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Date of Recognition

The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and de-recognition, as applicable, is done using settlement date accounting.

"Day 1" Difference

Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where

there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Financial assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument)
- financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company’s financial assets at amortized cost includes cash and cash equivalents (excluding petty cash fund) and advances and other receivables as at reporting dates (see Note 6).

Financial assets fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation, if any, and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit and loss.

The Company does not have debt instruments designated at fair value through OCI as at reporting dates.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 – *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as recovery of part of the cost of the financial assets, in which case, such gains are recovered in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have equity instruments designated at fair value through OCI (FVOCI) as at reporting dates.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statements of profit or loss when the right of payment has been established.

The Company does not have financial assets at fair value through profit or loss as at reporting dates.

Derecognition

The financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risk and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' agreement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards

of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss is required for credit expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full or in part before taking into account any credit enhancements held by the Company. A financial asset is written off in full or in part when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Financial assets are written-off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities is classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

The Company has not designated any financial liability at fair value through profit or loss at the end of each reporting period.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Finance cost" in the statements of comprehensive loss.

This category generally applies to accounts payable and other liabilities (excluding government liabilities), notes payable and advances from shareholders (see Notes 10, 11 and 12).

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statements of comprehensive loss.

Fair Value Option

The Company may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortized cost or fair value through other comprehensive loss to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch or otherwise results in more relevant information.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Company assesses that it has currently enforceable right to offset if the right is not contingent on a future event and is legally enforceable in the event of insolvency or bankruptcy of the Company and all of the counterparties.

Cash and Cash Equivalents

Cash and cash equivalents comprise of petty cash fund, cash in banks and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Advances

Advances to contractors and suppliers are payments made in advance, such as down payments for a contractual project and acquisition of equipment. Advances are initially recorded at the amount of cash paid. These will be subsequently reclassified to property and equipment upon completion of the project and/or once the equipment is actually or constructively delivered.

Advances and other receivables on the other hand, is recognized if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets earlier discussed.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment consists of:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

At the end of each reporting period, items of property and equipment measured using the cost model, except land, are carried at cost less any subsequent accumulated depreciation and impairment losses. Land is subsequently carried at the revalued amount less accumulated impairment losses, if any, recognized after the date of the revaluation. Land is not depreciated.

Any asset revaluation surplus on the land is credited to "Revaluation increment on land" account and is part of equity. A revaluation deficit is recognized to the extent that it offsets an existing surplus on the same asset recognized in the "Revaluation increment on land" account.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. When assets are derecognized, their cost, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Fully depreciated and fully amortized assets are retained by the Company as part of property and equipment until their disposal or until they are no longer in use.

Construction-in-progress

Construction-in-progress is stated at cost. This includes the costs related to the construction of the hospital building and installation of medical equipment, property development costs and other direct costs. Cost of borrowings and any additional costs incurred in relation to the project are recognized in this account. Construction-in-progress is not depreciated until such time that the relevant assets are completed and ready for its intended use.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from the construction project is charged to operations during the period in which the loss is determined.

Impairment of Non-Financial Assets

At each reporting dates, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from the other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income.

Equity

An equity instrument is any contract with the shareholders that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue cost.

Share capital

Share capital is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Share premium

Share premium is the difference between the issue price and the par value of the stock and is known as securities premium. The shares are said to be issued at a premium when the issue price of the share is greater than its face value or par value.

Revaluation surplus

A revaluation surplus is an equity account in which is stored the upward changes in value of property and equipment. If a revalued asset is subsequently dispositioned out from the Company, any remaining revaluation surplus is credited/ (debited) to the retained earnings/ deficit account of the Company.

Deficit

Deficit represents accumulated losses incurred by the Company. Deficit may also include effects of changes in accounting policy as may be required by the standard's transitional provision.

Revenue Recognition

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

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Service income from hospital services

The Company renders primary healthcare services to its patients over a single period of time in the ordinary course of business. Revenue is recognized as the services are provided.

Sale of medical goods

Revenue from sale of goods is recognized at point in time when control of the asset is transferred to the customer.

The Company does not have revenues from hospital services nor sale of medical goods since it is still in its construction stage, thus, not yet in commercial operations as at March 31, 2022.

Other Revenues

Interest income

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Expense Recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive loss are presented using the function of expense method. General and administrative expenses constitute costs attributable to general, administrative, and other business activities of the Company and are expensed as incurred.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by its employees.

Short-term Benefits

Short-term employee benefits are those benefits expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Short-term benefits given by the Company to its employees include salaries and wages, social security, health insurance and housing contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement or Post-employment Benefits

The Company is subject to the provisions of Republic Act No. 7641 (known as the Retirement Law). This requires that in the absence of a retirement plan, an agreement providing benefits for retiring employees in the private sector shall prevail where an employee, upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in service, may retire and shall be entitled to a retirement pay equivalent to at least ½ month's salary for every year of service, fraction of at least 6 months being considered as 1 whole year. The current service cost is the present value of benefits, which accrue during the last year.

As at reporting dates, the Company has not yet established a Retirement Benefits Plan for its employees since no employee is entitled to date.

Borrowing costs

Borrowing costs are generally recognized as expense in the year in which these costs are incurred. However, borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for their intended use. It includes interest expense, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Leases

The Company determines whether arrangements contain a lease to which lease accounting must be applied. The costs of the agreements that do not take the legal form of a lease but convey the right to use an asset are separated into lease payments if the entity has the control of the use or access to the asset, or takes essentially all of the outputs of the asset. The said lease component for these arrangements is then accounted for as finance or operating lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computations of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax

assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting dates and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, after giving retroactive effect to any bonus issued/declared during the year, if any.

For the purpose of calculating diluted earnings per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statements of comprehensive loss, net of any reimbursement.

Contingent liabilities are not recognized in the Company financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Company financial statements.

Events after the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

NOTE 5 - CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments in Applying the Company's Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant Increase of Credit Risk

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The input to these models is taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso (₱). It is the currency that mainly influences the Company's operations.

Classification of Financial Instrument

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Determination of Whether a Lease is a Finance or Operating Lease

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Operating Lease Commitments – Company as Lessee

Based on Management evaluation, the lease arrangements entered into by Company as a lessee are accounted for as operating leases because the Company has determined that the lessor will not transfer the ownership of the leased assets to the Company upon termination of the lease.

Recognition of Deferred Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. Recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary difference can be applied.

Impairment of Non-Financial Assets

Property and equipment is periodically reviewed to determine any indications of impairment. Though the management believes that the assumptions used in the estimation of fair values are reasonable and appropriate, significant changes in these assumptions may materially affect the assessment of the recoverable amounts and any resulting impairment loss could have a material adverse effect in the results of operations.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 4, subheading "*Provisions and Contingencies.*"

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Assessment for ECL on Other Financial Assets at Amortized Cost

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized as at September 30, 2022 and 2021. The carrying amounts of other financial assets at amortized cost are as follows:

	September 2022	September 2021
Cash and cash equivalents*	2,227,759	3,050,464
Advances and other receivables	20,000	156,700
	2,247,759	3,207,164

**excluding petty cash fund of ₱50,000 as at September 30, 2022 and 2021*

Assessment for Impairment of Non-financial Assets

The Company assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on non-financial assets was recognized as at September 30, 2022 and 2021.

The carrying amounts of non-financial assets are as follows:

	September 2022	September 2021
Advances to contractors and suppliers	24,901,600	–
Property and equipment (net)	90,850,314	90,952,346
Construction-in-progress	505,592,899	353,707,744
	621,344,813	444,660,090

Estimating useful lives of assets

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

Categories	Estimated Useful Life
Office furniture and equipment	5 years
Transportation and equipment	5 years

As at September 30, 2022 and 2021, the Company's property and equipment had carrying amounts of **₱90,850,314** and **₱90,952,346**, respectively, as disclosed in Note 8.

Asset impairment other than goodwill

The Company performs an impairment review when certain impairment indicators are present.

Determining the recoverable amount of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

As at September 30, 2022 and 2021, Management believes that the recoverable amounts of the Company's property and equipment approximate its carrying amounts. Accordingly, no impairment loss was recognized in both years.

Deferred tax assets

The Company reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary difference is based on the Company's forecasted taxable income of the following reporting period. This forecast is based on the Company's past results and future expectations on revenues and expenses. As at September 30, 2022, December 31, 2021 and 2020, the Company had assessed that they will not generate sufficient taxable income from the utilization of deferred tax assets in the succeeding years.

Deferred tax assets with full valuation allowance as at September 30, 2022, September 30, 2021 and 2020 amounted to **₱13,755,119**, **₱10,320,567**, and **₱9,787,595**, respectively (see Note 15).

NOTE 6 - CASH

This account consists of:

	Sept. 2022	Sept. 2021
Petty cash fund	50,000	50,000
Cash in banks	2,227,759	3,050,464
Cash equivalents	-	-
	2,277,759	3,100,464

Cash includes petty cash fund and in banks that are unrestricted and available for current operations. This is stated in the statements of financial position at face amount. Cash in banks generally earn interest at the prevailing bank's deposit rates.

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value. These investments are purchased depending on the immediate cash requirements of the Company and earn interest at the bank's stated rates.

Interest earned from cash in banks and cash equivalents accounts amounted to **₱3,656** and **₱60,786** in September 30, 2022 and 2021, respectively, and is presented as "interest income" in the statements of comprehensive loss.

NOTE 7 - ADVANCES TO CONTRACTORS AND SUPPLIERS

This account consists of:

	Sept. 2022	Sept. 2021
Advances to contractors ¹⁾	18,566,200	–
Advances to suppliers ²⁾	6,335,400	–
	24,901,600	–

¹⁾ Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rata basis, from the contractor's periodic progress billings.

²⁾ Advances to suppliers are down payments made to suppliers of medical equipment and/or construction materials ordered. The amounts represent 15% - 50% of the total contract price of the items purchased.

NOTE 8 - PROPERTY AND EQUIPMENT (net)

Reconciliation of property and equipment (net) as at September 30, 2022 is as follows:

	Land	Office Furniture and Equipment	Transportation Equipment	Total
Cost:				
At beginning of year	39,334,287	545,989	160,000	40,040,276
Additions	–	–	–	–
Sept. 30, 2022...	39,334,287	545,989	160,000	40,040,276
Accumulated depreciation:				
At beginning of year	–	376,415	48,000	424,415
Depreciation	–	42,760	24,000	66,760
Sept. 30, 2022	–	419,175	72,000	491,175
Revaluation increment on Land	51,301,213	–	–	51,301,213
Net carrying value, Sept. 30, 2022	90,635,500	126,814	88,000	90,850,314

Reconciliation of property and equipment (net) as at September 30, 2021 is as follows:

	Land	Office Furniture and Equipment	Transportation Equipment	Total
Cost:				
At beginning of year	39,334,287	440,747		39,775,034
Additions	–	105,242	160,000	265,242
Sept. 30, 2021	39,334,287	545,989	160,000	40,040,276
Accumulated depreciation:				
At beginning of year	–	(204,604)	(32,000)	(236,604)
Depreciation	–	(140,539)	(12,000)	(152,539)
Sept. 30, 2021	–	(345,143)	(44,000)	(389,143)
Revaluation				
increment on Land	51,301,213	–	–	51,301,213
Net carrying value,				
Sept. 30, 2021	90,635,500	200,846	116,000	90,952,346

The land covered by TCT No. 147-20173003722 with a total area of ten thousand six hundred sixty-three square meters (10,663 sq. m.) is located in Lagao, General Santos City where the Company's multidisciplinary special medical facility (hospital) is being constructed (Note 9) and is the subject of a real estate mortgage as disclosed in Note 11.

On June 7, 2019, the Company engaged an independent appraiser and determined the land's fair value at ₱90,635,500 as of appraisal date. This resulted to a revaluation increment on land amounting to ₱51,301,213 reported under equity. The fair value of parcels land was arrived at using market-based evidence adjusted based on certain elements of comparison. In valuing, records of recent sales and offerings of similar land were analyzed and comparison made for such factors as size, characteristics of the lot, location, quality and prospective use.

Management has reviewed the carrying values of property and equipment as at December 31, 2021 and 2020, for any impairment. Based on the results of its evaluation, there are no indications that these assets are impaired.

NOTE 9 - CONSTRUCTION-IN-PROGRESS

This account consists of accumulated costs for the construction of the Company's hospital building project which is still ongoing as at reporting dates:

	As at end of year	Amount of Transactions	As at Sept. 30
	Dec 2021	2022	2022
Construction-In-Progress	402,202,238	103,390,661	505,592,899

During the development and construction of the hospital building, borrowing costs on interest-bearing loans were capitalized (see Note 11).

Other related costs pertain to planning and project management expenses directly attributable to the construction project.

As certified by the Construction Manager of the Company, the percentage of completion as of report date is pegged at forty-four point ninety percent (44.90%).

As at December 31, 2021, the total construction cost to complete the hospital building is estimated to be at ₱1,022,744,000.

NOTE 10 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	June 2022	June 2021
Retention payable ¹⁾	19,715,400	12,000,000
Accrued expenses ²⁾	10,446,686	7,950,260
Government liabilities ³⁾	488,361	909,267
Accounts payable – contractors ⁴⁾	2,536,865	2,019,495
	33,187,312	16,941,164

¹⁾ Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. This shall be released to the contractor, net of deductions, if any, upon full completion and turnover of the project and final acceptance by the Company.

²⁾ Accrued expenses and accounts payables pertain to unpaid expenses incurred as of the period which were paid the following year.

³⁾ Government liabilities pertain to tax withheld from payment to suppliers, employees' compensation and statutory contribution to SSS, PHIC and HDMF.

⁴⁾ Accounts payable – contractors represent unpaid billings of the contractors in the construction of the building as of reporting date.

NOTE 11 - NOTES PAYABLE

Notes payable consist of:

	Sept. 2022	Sept. 2021
Current portion	–	–
Non-current portion	204,092,000	124,992,000
	204,092,000	124,992,000

In 2020, the Landbank of the Philippines extended a term loan equivalent to a credit line facility totaling ₱500,000,000 to partially finance the construction of a six (6) storey hospital building with roof deck and ancillary building.

The loan can be availed in several drawdowns, payable in 12 years in ladderized quarterly amortizations, including a 3-year grace period for principal amortization. Interest rate is at prevailing rate at the time of availment subject to quarterly repricing. The Company may opt to

shift to fix rate after the full drawdown based on the applicable benchmark plus spread at the time of conversion based on the fixing or on the remaining term of the Loan.

As discussed in Note 8, the loan is collateralized and secured by a Real Estate Mortgage (REM) on both parcels of land owned by the Company, including present and future improvements, thereon.

Total finance costs incurred on loans for financing the construction of hospital building amounted to ₱9,398,356 and ₱3,302,680 for the periods ended September 30, 2022 and 2021, respectively, and was capitalized to construction-in-progress account in the statements of financial position (see Note 9).

NOTE 12 - RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following were carried out with related parties:

Category	Outstanding	Amount of	Outstanding	Amount of	Outstanding	Terms	Conditions
	Balance	Transactions	Balance	Transactions	Balance		
	2020	2021	2021	2022	Sept. 2022		
Advances from shareholders	8,690,550	(8,690,550)	–	27,750,000	27,750,000	Interest bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired

(a) Advances from shareholders

In a special meeting of the Board of Directors held on October 11, 2016, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances.

In view of this, the shareholders advanced monies in support of the Company's hospital building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction. These advances were already fully paid off by the company early part of 2021.

This first quarter of 2022, the Board of Directors again sought the assistance of its founders and requested to advance monies in support of the company's hospital construction. It was agreed that the amount advanced by the founders for the company will be paid with interest, although settlement of the same will be subject to availability of funds given that priority of payment are still those that are construction related.

Key Management Personnel Compensation

In a meeting held on November 16, 2018, the Board of Directors approved and ratified the payment of its key management personnel with salaries equivalent to the services they render in overseeing the pre-operating stage of the Company, which mainly pertains to the construction of the hospital building as of reporting date.

Key management compensation amounted to and ₱7,235,000 and ₱5,630,000 for the periods ended September 30, 2022 and 2021, respectively. These amounts are incorporated in the “salaries and other benefits” account in the statements of comprehensive loss (see Note 14).

Key management includes the board of directors, all members of management and other Company officers.

NOTE 13 - SHARE CAPITAL

Details of the Company’s share capital as at September 30, 2022 is as follows:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founders’ shares	600	600,000
Common shares	179,400	179,400,000
Preferred shares	60,000	60,000,000
Total authorized share capital	240,000	240,000,000
Subscribed share capital:		
Founders’ shares	600	600,000
Common shares	142,110	142,110,000
Preferred shares	60,000	60,000,000
Total subscribed share capital	202,710	202,710,000
Paid-up share capital (net of subscription receivable of ₱50,400,000):		
Founders’ shares	600	600,000
Common shares	133,860	133,860,000
Preferred shares	60,000	18,750,000
Total paid-up share capital	202,710	153,210,000

Details of the Company’s share capital as at September 30, 2021 is as follows:

	No. of Shares	Amount
Authorized share capital – ₱1,000 par value		
Founders’ shares	600	600,000
Common shares	179,400	179,400,000
Preferred shares	60,000	60,000,000
Total authorized share capital	240,000	240,000,000
Subscribed share capital:		
Founders’ shares	600	600,000
Common shares	140,780	140,780,000
Preferred shares	60,000	60,000,000
Total subscribed share capital	201,380	201,380,000

Paid-up share capital (net of subscription receivable of ₱54,000,000):		
Founder's shares	600	600,000
Common shares (net of subscription receivable of P8,700,000)	132,080	132,080,000
Preferred shares (net of subscription receivable of P43,500,000)	16,500	16,500,000
Total paid-up share capital	149,180	149,180,000

In 2018, the Company filed a registration application covering its proposed Initial Public Offering (IPO) of its 36,000 common shares. Said registration statement was approved on June 28, 2019, in accordance with the provisions of the SEC's Securities Regulation Code (see Note 1).

As of reporting date, pursuant to the SEC's approval, the Company issued a total of **TEN THOUSAND SEVEN HUNDRED THIRTY** common shares. The related share premium after deducting transaction costs associated with the issuance of shares amounted to ₱219,226,495. The common share offer price amounted to ₱250,000 up to ₱400,000 per block [one (1) block is equivalent to ten (10) common shares].

Founders' shares have the exclusive right to vote and be voted upon as directors for five (5) years from the date of SEC registration. Thereafter, the holders of Founders' shares shall have the same rights and privileges as holders of common shares. The Company has forty-four (44) shareholders, each owning 100 or more shares of the Company's shares of stock as at September 30, 2022.

Preferred shares shall be subject to the following terms and conditions:

1. Shall be entitled to a reasonable monthly interest to be determined by the board, subject to availability of funds.
2. Convertible to common shares on or before five (5) years.
3. The board at its discretion may at any time, allow the conversion of preferred shares to common shares.
4. Shall not be entitled to voting rights until converted to common shares.

NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of account consists of:

	For the 9 Months Ended	
	September 30	
	2022	2021
Salaries and Allowances ¹⁾	8,336,969	6,383,408
Honorarium ²⁾	3,805,000	2,102,500
Professional Fees	500,690	692,303
Transportation and Travel ³⁾	279,445	690
Advertising and Promotions	122,401	136,319
Office Supplies	87,539	64,398
Depreciation	66,760	105,818
Board Meetings and Meals	12,162	24,470
SSS/PHIC/HDMF Contributions	73,835	75,194
Communications, Light, & Water	8,959	31,362

Rentals ⁴⁾	180,000	0
Taxes and Licenses	46,768	54,287
Trainings and Seminars	0	709,708
Bank Service Charge	200	50
Fuel Expenses	37,196	18,180
Miscellaneous	180,286	140,238
TOTALS	13,738,210	10,538,925

¹⁾ Increase in Salaries and Allowances was due to the increase in the salaries of staff during the period as mandated by DOLE. Salaries of officers also increased.

²⁾ The honorarium for the Board of Directors for various meetings held during the period caused the increase recorded.

³⁾ Because COVID has somehow relaxed, face to face meetings started again, thus, the increase in the transportation expenses

⁴⁾ These are payments to the rented property of the company. The property is used to store various equipment/materials related to the construction of the building.

NOTE 15 - INCOME TAX

Computation of income tax due (RCIT or MCIT, whichever is higher) is as follows:

I. Regular Corporate Income tax (RCIT)	Sept. 2022	2021	2020
Net loss before income tax	(13,734,554)	(13,609,972)	(12,996,327)
Add (deduct) reconciling items:			
Penalties and surcharges (Note 14)	—	—	—
Interest income subjected to final tax (Note 6)	(3,656)	(62,925)	(434,082)
Net operating loss	(13,738,210)	(13,672,897)	(13,430,409)
Tax rate	25%	30%	30%
RCIT	NIL	NIL	NIL

II. Minimum Corporate Income Tax (MCIT)

No MCIT computation is presented as there were no taxable revenues for the years 2021 and 2020. In 2019, as per National Internal Revenue Code (NIRC), the Company is not yet covered by the Minimum Corporate Income Tax (MCIT) since the Company has not yet started its commercial operations.

CREATE ACT

On March 26, 2021, Republic Act No. 11534, otherwise known as “The Corporate Recovery and Tax Incentives for Enterprises Act” was signed into law by the President of the Philippines. The law will take effect 15 days after its publication in the Official Gazette or in a newspaper of general circulation.

The following are the key features of the CREATE Law that are relative to the Company:

A. Corporate Income Tax (CIT)

1. Starting July 1, 2020, CIT rate for corporations will be reduced as follows:
 - a. Reduced CIT rate of 20% shall be applicable to domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100 Million (excluding land on which the business entity’s office, plant and equipment are situated).
 - b. Reduced CIT rate of 25% shall be applicable to all other domestic and resident foreign corporations.
2. For the period beginning July 1, 2020 until June 30, 2023, minimum corporate income tax rate shall be 1%, instead of 2%.
3. Improperly accumulated earnings tax is repealed.
4. The option to be taxed at 15% of gross income if allowed by the President subject to certain conditions is repealed.
5. Enhanced deduction in claiming NOLCO for five (5) years.

B. Deductions from Gross Income

Due to the proposed reduction in CIT rate, interest arbitrage shall be reduced to 20% of interest income subjected to final tax, and will be further adjusted in case final tax on interest income will be adjusted in the future.

C. VAT Exempt Transactions

1. Additional VAT exemption on sale or importation of the following goods from January 1, 2021 to December 31, 2023:
 - a. Capital equipment, its spare parts and raw materials, necessary to produce personal protective equipment component;
 - b. all drugs, vaccines and medical devices specifically prescribed and directly used for the treatment of COVID-19;
 - c. drugs, including raw materials, for the treatment of COVID-19 approved by the FDA for use in clinical trials
2. VAT exemption on sale or importation of prescription drugs and medicines for cancer, mental illness, tuberculosis, and kidney diseases will start on January 1, 2021 instead of January 1, 2023.

III. Net Operating Loss Carry Over

As at June 30, 2021, the Company’s NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2018	2021	5,015,946	–	(5,015,946)	–	–
2019	2022	14,178,961	–	–	–	14,178,961
		19,194,907	–	(5,015,946)	–	14,178,961

On September 30, 2020, Finance Secretary Carlos Dominguez and Internal Revenue Commissioner Caesar Dulay signed Revenue Regulation 25-2020, implementing Section 4 of the Bayanihan to Recover as One or Bayanihan 2 Act, particularly on the NOLCO of companies. The Bureau of Internal Revenue (BIR) has extended to five years the carry-over period for net operating losses incurred by businesses in 2020 and 2021 due to the impact of the coronavirus pandemic.

Year Incurred	Expiration date	Beginning balance	Additions	Expired	Claimed	Ending Balance
NOLCO						
2020	2025	13,430,409	–	–	–	13,430,409
2021	2026	13,672,897	–	–	–	13,672,897
Sept. 2022	2027		13,738,210	–	–	13,738,210
		27,103,306	12,738,210	–	–	40,841,516

IV. Deferred Tax Asset

The significant component of the Company's deferred tax assets are as follows:

	2022	2021	2020
NOLCO	55,020,477	41,282,267	32,625,316
Tax rate	25%	25%	30%
			9,787,595
Valuation allowance (Note 5)	(13,755,119)	(10,320,567)	(9,787,595)
	–	–	–

The Company provides full valuation allowance on its deferred tax assets from NOLCO since management believes that the Company will not be able to generate future taxable income in which such can be applied. The deferred tax asset of the Company arising from net operating loss carry over (NOLCO) prior to 2020 can be charged against future taxable income of the next three (3) years. On the other hand, deferred tax assets arising from NOLCO for the years 2020 and 2021 can be charged against future taxable income of the next five (5) taxable years.

NOTE 16 - BASIC LOSS PER SHARE

Basic loss per share is computed as follows:

	Sept. 2022	2021	2020
Loss attributable to ordinary shares	(13,734,554)	(13,609,972)	(12,996,327)
Divide by: Weighted average number of ordinary shares outstanding	153,210	142,350	137,210
Basic loss per share	(89.65)	(95.61)	(94.72)

There are no potential dilutive ordinary shares outstanding as at September 30, 2022, December 31, 2021 and 2020.

NOTE 17 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk

The Company's financial risk management policies seek to minimize potential adverse effects of financial risk such as credit risk, liquidity risk, and interest rate risk to its financial assets and financial liabilities.

The Company's principal financial assets and financial liabilities consist of cash and cash equivalents (excluding petty cash fund), advances and other receivables, accounts payable and other

liabilities (excluding government liabilities), notes payable and advances from shareholders which arise from operations.

The Company's Board of Directors reviews and approves the policies for managing each of these risks and these are summarized below:

Credit risk

Credit risk is the risk that the third party will default on its obligation to the Company and cause the Company to incur financial loss. The Company's business policy aims to limit the amount of credit exposure to any individual client and financial institution. The Company has credit management policies in place to ensure that contracts are entered into with clients who have sufficient financial capacity and good credit history.

The Company's financial assets at amortized cost are composed of cash and cash equivalents (excluding petty cash fund) and advances and other receivables. The Company limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

Advances and other receivables are being monitored on a regular basis to ensure timely execution of necessary intervention efforts to minimize credit losses.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

As at September 30, 2022				
	Financial assets at amortized cost			Total
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
Cash and cash equivalents*	2,227,759	–	–	2,227,759
Advances and other receivables	20,000	–	–	20,000
	2,247,759	–	–	2,247,759

*excluding petty cash fund amounting to ₱50,000 as at September 30, 2022.

As at September 30, 2021				
	Financial assets at amortized cost			Total
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
Cash and cash equivalents*	3,050,464	–	–	3,050,464
Advances and other receivables	156,700	–	–	156,700
	3,207,164	–	–	3,207,164

*excluding petty cash fund amounting to ₱50,000 as at September 30, 2021.

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company's financial instruments that are interest-bearing are its cash and cash equivalents (excluding petty cash fund) and notes payable (Notes 6 and 12).

Cash and cash equivalents are subject to prevailing interest rates (see Note 6). Considering that such financial assets have short-term maturity, management does not foresee any cash flow and fair value interest rate risk to have a significant impact on the Company's operations.

The Company's notes payable is exposed to prevailing interest rates subject to re-pricing based on the tenor of the benchmark rate used (see Note 12). However, upon management assessment, these do not present significant interest rate risk.

Interest rate risk, however, is directed to the portion of the Company's interest-bearing liability, loans payable to a related party, which carry fixed interest rate and are measured at amortized cost. The Company has no established policy in managing interest rate risk. Management believes that fluctuations on the interest rates will not have significant effect on the Company's financial performance.

Liquidity Risk

In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on contractual and undiscounted payments:

As at September 30, 2022

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Assets:					
Cash and cash equivalents*	2,227,759	–	–	–	2,227,759
Advances and other receivables	20,000	–	–	–	20,000
	2,247,759	–	–	–	2,247,759

*Excluding petty cash fund amounting to ₱50,000 as at September 30, 2022.

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Liabilities:					
Accounts payable and other liabilities**	32,698,951	–	–	–	32,698,951
Notes payable	–	–	54,043,559	150,048,441	204,092,000
	32,698,951	–	54,043,559	150,048,441	236,790,951

**Excluding government liabilities amounting to ₱488,361 as at September 30, 2022.

As at September 30, 2021

	On Demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial Assets:					
Cash and cash equivalents*	3,050,464	–	–	–	3,050,464
Advances and other receivables	156,700	–	–	–	156,700
	3,207,164	–	–	–	3,207,164

*Excluding petty cash fund amounting to ₱50,000 as at September 30, 2021.

Financial Liabilities:					
Accounts payable and other liabilities**	22,495,696	–	–	–	22,495,696
Notes payable	–	–	–	124,992,000	124,992,000
	22,495,696	–	–	124,992,000	147,487,696

**Excluding government liabilities amounting to ₱909,266 as at September 30, 2021.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities are presented below:

	As at September 30, 2022		As at September 30, 2021	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets:				
Cash and cash equivalents*	2,227,759	2,227,759	3,050,464	3,050,464
Advances and other receivables	20,000	20,000	156,700	156,700
	2,247,759	2,247,759	3,207,164	3,207,164

*Excluding petty cash fund amounting to ₱50,000 as at June 30, 2022 and 2021.

Financial Liabilities:				
Accounts payable and other liabilities**	32,698,951	32,698,951	22,495,696	22,495,696
Notes payable	204,092,000	204,092,000	124,992,000	124,992,000
	236,790,951	236,790,951	147,487,696	147,487,696

**Excluding government liabilities amounting to ₱488,361 and ₱909,266 as at September 30, 2022 and 2021, respectively.

Assumption Used to Estimate Fair Values

The carrying amounts of cash and cash equivalents, advances and other receivables, and accounts payable and other liabilities approximate their fair values as at reporting dates due to the short-term nature of the transactions.

The carrying amount of notes payable approximates its fair value due to pre-determined contractual cash flow arrangements based on an applicable and regular re-priceable Philippine Dealing System

Treasury (PDST) floating rate covering the term of the loan, as provided by the financial lending institution.

The fair value of refundable deposits cannot be measured reliably since there was no comparable market data and inputs for the sources of fair value such as discounted cash flows analysis. However, Management believes that their carrying amounts approximate their fair value.

Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of financial assets and liabilities:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs are unobservable for the asset or liability

The table below summarizes the classification of the Company's financial assets and liabilities based on the fair value measurement hierarchy:

	As at September 30, 2022		
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
Financial Assets:			
Cash and cash equivalents*	2,227,759	-	-
Advances and other receivables	20,000	-	-
	2,247,759	-	-

*Excluding petty cash fund amounting to P50,000 as at September 30, 2022.

Financial Liabilities:			
Accounts payable and other liabilities**	-	32,698,951	-
Notes payable	-	204,092,000	-
	-	236,790,951	-

**Excluding government liabilities amounting to P488,361 as at September 30, 2022.

	As at September 30, 2021		
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Un- observable Inputs (Level 3)
Financial Assets:			
Cash and cash equivalents*	3,050,464	-	-
Advances and other receivables	-	156,700	-
	3,050,464	156,700	-

*Excluding petty cash fund amounting to P50,000 as at September 30, 2021.

Financial Liabilities:			
Accounts payable and other liabilities**	-	22,495,696	-
Notes payable	-	124,992,000	-
	-	147,487,696	-

**Excluding government liabilities amounting to P909,266 as at September 30, 2021.

There were no reclassifications made between the different fair value hierarchy level as at September 30, 2022 and 2021.

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratio in order to support the business, pay existing obligations and maximize shareholders value.

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended September 30, 2022 and 2021.

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

	September 2022	September 2021
Share capital	153,210,000	149,180,000
Share premium	219,226,495	147,277,140
Revaluation increment on land	51,301,213	51,301,213
Deficit	(65,104,448)	(48,238,061)
	358,633,260	299,520,292

The loan agreement with Land Bank (Note 11) provides certain restrictions and requirements with respect to, among others, maintenance of financial ratios (debt-to-equity ratio of 80:20), percentage of ownership of specific shareholders, creation of property encumbrances and additional guarantees for the incurrence of additional long-term indebtedness.

As of reporting dates, all covenants and requirements are complied with except for the required financial ratio wherein the financial institution was made aware of since the Company has not yet started commercial operations.

NOTE 18 - IMPACT OF CORONAVIRUS (COVID-19) UPDATE

The full impact of the lingering COVID-19 outbreak remains as a formidable threat to the normal stability of the Company and may, at times, impose operational compromises which negatively influence the industry workforce and the logistical chain. In response to such evolving challenges, as well as combat any impending surges, the Company has adopted certain measures (like hybrid work arrangements, office pre-testing and spacing procedures, including virtual communication instructions & practices) to strike a balance between its calculated business activities and the mandatory health protocols.

However, since the Company is still on its formative or organizational stage(s) and has not commenced full commercial operations, the Management have ascertained that the foregoing current circumstances of the prevailing influence on the Company's financial standing or status indicates neither a material impact nor an uncertainty exists that would affect the financial condition and operational results of the Company.

NOTE 19 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company as at and for the year ended September 30, 2022, including its comparative figures as at September 2021, were approved and authorized for issuance by the Board of Directors on October 15, 2022.

SUPPLEMENTARY INFORMATION REQUIRED BY REVENUE REGULATION (RR)

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 15-2010, which requires certain information on taxes, duties, and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. This supplemental information, which is an addition to the disclosures mandated under PFRS is presented as follows:

Output and Input Value-Added Tax

Hospitals and clinics are exempt from VAT by virtue of Section 109 of the National Internal Revenue Code.

Documentary Stamp Tax

Details of the documentary stamp taxes paid for the 3rd quarter of 2022 are as follows:

	September 2022
DST paid for loans charged to construction-in-progress	1,530,690
DST for sale charged to taxes and licenses	9,500
	1,181,900

Taxes and licenses

Details of the Company's other local and national taxes for the period are as follows:

	September 2022
Documentary stamp tax	9,500
Real property tax	9,322
Business permits and licenses	4,392
BIR registration fee	500
Others	14,555
	46,768

Withholding Taxes

Withholding taxes paid by the Company for the year are as follows:

	September 2022
Expanded withholding taxes	1,397,075
Compensation withholding tax	1,798,421
	3,195,496

Deficiency Tax Assessment and Tax Cases

The Company has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in court or bodies outside the Bureau of Internal Revenue as of September 30, 2022.

RR 19-2020 and RR 34-2020

In 2020, the Bureau of Internal Revenue (BIR) issued the foregoing Revenue Regulations for the effective implementation of Philippine Accounting Standard No. 24 (PAS 24) governing the guidelines and procedures for "transfer pricing documentations" involving related party transactions thru the submission of BIR Form No. 1709 and the supporting documents, as an attachment to the financial statements to be filed with the BIR.

The Company reported net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years, hence, meets the criteria provided by these Revenue Regulations, and accordingly, required to submit BIR Form 1709.

* * *

STATEMENT OF FINANCIAL POSITION

ASSETS	As at September 30		
	2022	2021	2020
CURRENT ASSETS			
Cash & Cash Equivalents	2,277,759	3,100,464	71,888,316
Advances to Contractors & Suppliers	24,901,600	0	0
Receivables - Others	20,000	156,700	2,000,000
Prepayments	20,000	0	0
	27,219,359	3,257,164	71,888,316
NON-CURRENT ASSETS			
Property and Equipment (net)	90,850,314	90,952,346	91,093,437
Construction-In-Progress	505,592,899	353,707,744	75,245,883
	596,443,213	444,660,090	166,339,320
TOTAL ASSETS	623,662,572	447,917,254	238,227,636
LIABILITIES AND EQUITY	As at September 30		
	2022	2021	2020
CURRENT LIABILITIES			
Accounts Payable and Other Liabilities	33,187,312	23,404,962	10,143,682
NON-CURRENT LIABILITIES			
Notes Payable	204,092,000	124,992,000	22,392,000
Advances from Shareholders	27,750,000	0	0
	231,842,000	124,992,000	22,392,000
TOTAL LIABILITIES	265,029,312	148,396,962	32,535,682
EQUITY			
Share Capital (net)	153,210,000	149,180,000	140,770,000
Share Premium	219,226,495	147,277,140	52,120,000
Revaluation Increment on Land	51,301,213	51,301,213	51,301,213
Deficit	-65,104,448	-48,238,061	-36,499,259
	358,633,260	299,520,292	207,691,954
TOTAL LIABILITIES AND EQUITY	623,662,572	447,917,254	240,227,636

STATEMENT OF COMPREHENSIVE LOSS

	For the 9-Month Ended Sept. 30	
	2022	2021
Revenue	0	0
Direct Cost	0	0
Gross Profit	0	0
Other Income	3,656	60,786
Gross Income	3,656	60,786
General and Admin Expenses	13,738,210	10,538,925
Loss From Operations	-13,734,554	-10,478,139
Finance Cost	0	0
Net Loss Before Income Tax	-13,734,554	-10,478,139
Income Tax Expense	0	0
Net Loss for The Year	-13,734,554	-10,478,139
Other Comprehensive Income/(Loss) for the Year	0	0
Total Comprehensive Loss for the Year	-13,734,554	-10,478,139

STATEMENT OF CASH FLOW

	For the 6-Month Ended Sept. 30	
	2022	2021
Cash Flows from Operating Activities		
Net Loss before taxes	-13,734,554	-6,412,923
Adjustments to reconcile net loss before tax to net cash used in operating activities:		
Depreciation		
Interest Income	-3,656	-58,574
Operating cash flows before changes in working capital	-13,738,210	-6,471,497
Changes in working capital components:		
Decrease (increase) in current assets:		
Advances to Contractors and Suppliers	-3,914,500	
Receivables	800	48,757
Prepaid Expenses	20,000	
Increase (decrease) in current liabilities:		
Accounts payable and other liabilities	11,833,615	-27,835,420
Net cash provided by/(used in) operations	-5,798,295	-34,258,160
Interest received	3,656	58,574
Net cash provided by/(used in) operating activities	-5,794,639	-34,199,586
Cash Flows from Investing Activities		
Additions to property and equipment (net)	66,760	70,545
Additions to construction in progress	-103,390,661	-147,236,809
Net cash used in investing activities	-103,323,901	-147,166,264
Cash Flows from Financing Activities		
Proceeds from Loans	26,900,000	64,200,000
Proceeds from (payment of) advances from shareholders	27,750,000	-8,690,550
Proceeds from Subscriptions receivable		
Issuance of share capital	1,260,000	4,940,000
Additional paid-in Capital	48,932,994	62,977,140
Net cash provided by financing activities	104,842,994	123,426,590
Net increase (decrease) in Cash and Cash Equivalent	-4,275,546	-57,939,260
Cash and Cash Equivalents, Beg.	6,553,305	64,242,602
Cash and Cash Equivalents, End	2,277,759	6,303,342

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Revaluation Increment on Land	Deficit	Total
As at December 31, 2017	75,000,000			-6,036,351	68,963,649
Issuance of Share Capital	63,000,000				63,000,000
Net Loss for the Year				-4,711,584	-4,711,584
As at December 31, 2018	138,000,000			-10,747,935	127,252,065
Add'l Paid Up Capital	1,890,000				1,890,000
Share Premium		35,400,000			35,400,000
Asset Revaluation Surplus			51,301,213		51,301,213
Net Loss for the Year				-14,015,660	-14,015,660
As at December 31, 2019	139,890,000	35,400,000	51,301,213	-24,763,595	201,827,618
Add'l Paid Up Capital	3,320,000				3,320,000
Share Premium		29,330,000			29,330,000
Net Loss for the Year				-12,996,327	-12,996,327
As at December 31, 2020	143,210,000	64,730,000	51,301,213	-37,759,922	221,481,291
Add'l Paid Up Capital	8,740,000				8,740,000
Share Premium		105,563,501			105,563,501
Net Loss for the Year				-13,609,972	-13,609,972
As at December 31, 2021	151,950,000	170,293,501	51,301,213	-51,369,894	322,174,820
Add'l Paid Up Capital	1,260,000				1,260,000
Share Premium		48,932,994			48,932,994
Net Loss for the Period				-13,734,554	-13,734,554
As at September 30, 2022	153,210,000	219,226,495	51,301,213	-65,104,448	358,633,260