

Great Valley Medical Center (GVMC) - September 2021 Update

To our dear shareholders

The GVMC Board of Directors is pleased to update you on our progress since our last shareholder letter at the end of 2020.

Given the stage that our project is currently in, most of the activities have revolved around pre-construction arrangements. The construction committee headed by Dr. Frederick Tan has worked tirelessly to secure all the necessary permits required to jump-start the construction. In addition, Mayor Joy Belmonte has been instrumental in the City Hall's consistent effort to assist us with the issuance of all the required permits from the various city agencies.

HIGHLIGHTS

- | | |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sep 2020 | Delivered an orientation seminar for physicians |
| Oct 2020 | Formalized a rental agreement in the Rotary Building adjacent to the site
Delivered an orientation seminar for non-physicians
Hired our second staff (Alexis Antonio)
Created corporate shares and made this available to corporations |
| Nov 2020 | Engaged an Excavation Contractor |
| Dec 2020 | Submitted our application for a Certificate of Exception (COE) |
| Jan 2021 | Hired our third staff (Jewel Pimentel) |
| Feb 2021 | Held our Groundbreaking Ceremony
Release of the Barangay Council Resolution of Certificate of No Objection |
| Mar 2021 | Delivered an orientation seminar
Our Environmental Compliance Certificate (ECC) was issued
Engaged Tone Guide for the printing of letterheads, stock certificates, and our other stationery needs |
| May 2021 | Delivered an orientation seminar |
| Jun 2021 | Obtained our Certificate of Exception (COE) |
| Jul 2021 | Began negotiations with the owners of the property beside Nanka restaurant |
| Aug 2021 | Received the Locational Clearance and the Notice to Proceed from City Hall |

CONSTRUCTION UPDATES

Selecting our excavation contractor

From October - November 2020, the construction committee ran a selection process for our excavation contractor. Our Construction Manager (Engr. Calansingin) included five bidders in the pool. We wanted contractors that were class A firms. The bidders included:

- Advance Foundation Construction Systems Corporation
- IPM Construction & Development Corp.
- Piedras Negras Construction and Development Corporation
- WE Enterprises & Contractors, Inc. and
- RP Alejandro Construction.

We shortlisted three candidates using a set of previously defined criteria, including: (1) Assets, (2) List of equipment, (3) At least five years old, (4) Track record of 24m depth excavation. The three shortlisted candidates were:

- IPM Construction & Development Corp.
- RP Alejandro Construction
- WE Enterprises & Contractors

After careful deliberation and interviews, the Excavation Contract was awarded to WE Enterprises and Contractors, Inc. (WECI).

The details of the excavation are as follows:

- Depth: 26 meters
- Volume: 126,790 cubic meters
- Slope protection: soil nailing and shotcrete for 5 meters

Outside of these face-to-face meetings, the construction committee meets every Thursday at 4 PM to discuss the details surrounding the different phases of construction of the hospital.

In Photos: *Construction meetings: Top to bottom: 1st photo: October 2020 – Pre-bid conference for the excavation contractors. 2nd photo: November 2020 – clarificatory meeting with WECI. Third and fourth photo: June 2021 – joint inspection of the construction committee with Arch. Lopez, Engr. Calansingin and Engr. Gan.*



November 2020



January - February 2021: Clearing of tanks



February 2021: Site Clearing in Preparation for Groundbreaking



April 2021: Road widening along Panay Avenue



May to August 2021



Obtaining our Permits

Experience has taught us that the main obstacle to starting a construction project is the acquisition of permits. The construction committee began working on the different permits as early as September 2020, even while the design of our hospital was not yet final.

- At the start of 2021, Dr. Roberto De Leon (Chairman), Dr. Enrique Enriquez (President) and Ms. Diane Guevarra (Executive Assistant) visited the office of the Barangay Chairman to **submit the documents required for the issuance of the permit**. We likewise requested the immediate release of our Certificate of No Objection. After our groundbreaking and with the facilitation of our Mayor, the certificate was released by the Barangay Council.
- In January 2021, Construction Committee member Architect Gene Arthur Go presented the option to use the **Building Information Management** app to our design. The BIM allowed our Architect to create a 3D model that will allow the building contractor to use the same model to construct our hospital. This model allows them to work more efficiently and also allows them to capture the exact design and data they need during the construction.

- In March 2021, we submitted the permit requirements to the Office of Building Official.
- Also in March 2021, our **Environmental Compliance Certificate** was released. This certificate indicates that the proposed project or undertaking will not cause a significant negative impact on the Philippine environment.
- In June 2021, our **Certificate of Exception** was released. Since our property is within a zoning area with certain restrictions, we were required by the City Planning office to secure a certificate of exception. The process includes several hearings of the City Council, one of which was attended by Dr. Enriquez, where he had to justify the proposed project to the City Council of Quezon City.
- From June 2021 onwards, the committee reviewed and approved the architectural, structural, HVAC, and electrical plans with Arch. Juan Lopez and his team: Engr. Roger Tiguelo, Arch. Melchor Regonay, and Engr. Julie Anne Caimol. Plumbing, Sanitation, and Medical Gas plans will be reviewed next.

Selection of the Building Contractor

In March 2021, the committee started the groundwork to select the building contractor. The criteria for the submission of the profiles for interested bidders were circulated.

The requirements were as follows:

1. Must at least be a Triple-A Philippine Contractors Accreditation Board (PCAB) registered general contractor
2. Submit a financial statement from the past 3 years with proof of their financial capacity of at least PhP 500M and a credit line with a bank of not less than PhP 500M
3. With a proven track record in construction and has undertaken construction of buildings that are at least 10 stories or more.
4. Have completed at least 2 hospital projects in the past.
5. Have experience in using the Building Information Management (BIM) application for construction.

The committee reviewed 20 submissions. 12 out of the 20 were initially shortlisted, and as of August 26, the shortlist was reduced to 5:

1. TERP Asia Construction Corp.
2. RP Alejandro Construction Corp.
3. Thaison Builders & Developer
4. Hillmarck's Construction Corp.
5. JITS Construction

The committee will tabulate the reasons for declining the other contractors and will revisit the terms as needed.

Also in August 2021, our Locational Clearance and Notice to Proceed were issued by the City Planning Department and the Office of the Building Official, respectively.

What's Next: Excavation is going on full blast, following up on the Release of the Building Permit pending our compliance with some minor requirements.

BRANDING UPDATES

Initial branding material

In June 2020, the Branding committee headed by **Dr. Maria Isabel Ponce** began meeting with the Vitamin B branding company to produce the following materials:

- **Investor's deck:** This will be a video presentation about GVMC with voice over by our medical director Dr. Timothy Dy
- **Booklet:** This will be the printed version of the investor's deck
- **Hoarding on the fence that encloses the GVMC property:** This is an ideal medium for disseminating information about GVMC. Designs are still being finalized, pending measurements and layout of the fence based on the road widening projections of the DPWH in our area.
- **Informational website:** A website committee headed by Dr. Timothy Dy engaged the services of Net-head Infotech for the web-hosting. Vitamin B and Net-head have been working together in the creation of this website.

Positioning and Strategy

In August 2020, several meetings were held virtually with Vitamin B for GVMC's brand positioning and strategy. Recommendations were given after observations, surveys with hospitals both local and overseas to identify brand drivers, potential brand gaps, and competitive mapping. The GVMC team shared comments and approved the recommendations. Through the brand strategy and positioning, the materials that were being conceptualized as early as last year are now almost final.

Company stationery

In March 2021, the preparations began for the following printed materials:

- Stock certificates (with security features that render it tamper-proof)
- Folders (for the stock certificates)
- Letterhead and letter envelopes

We are currently working with **Tone Guide** for the printing of these materials. The branding committee is making sure that we stick to the design system for our logo.

What's next

Distribution of investors deck to founders in a USB, printing of booklets, going live with the website are all being planned. The final list of doctors are being checked for accuracy based on the Google form submissions that our Secretariat has received from shareholders who have joined us as of February 28, 2021.

GROUNDBREAKING

Preparations

The work to prepare for the groundbreaking ceremony began as early as November 2020. The Groundbreaking committee was headed by **Dr. Maria Isabel Ponce**, who worked with Step Up International, led by Cuki Pendor, to prepare for this important milestone.

The planning for the groundbreaking started in November 2020 and extended all the way to February 2021. This was done with Cuki Pendor and the Groundbreaking Committee headed by Dr. Maria Isabel Ponce



February 2021

The Construction committee, headed by **Dr. Fred Tan**, assisted the groundbreaking committee in the preparations. The site preparations for the event were far from easy since this ceremony took place in the middle of the COVID-19 pandemic — at a time when there was still so much uncertainty.

We have so many people to thank for the success of the event, starting with the members of the groundbreaking, construction, and branding committees as well as our excavation contractor, WE Enterprises and Contractors, Inc (WECI), who performed a quick site clearing and helped us set up the stage.

Groundbreaking preparations the day before the ceremony.



Groundbreaking Ceremony

The Groundbreaking ceremony was held on February 28, 2021. In attendance were the members of the board and the committees in charge.

To comply with the COVID-19 Inter-Agency Task Force (IATF) guidelines due to the pandemic, the number of guests was limited. Our special Guest of Honor was none other than our Mayor Joy Belmonte.



Photos from the actual groundbreaking ceremony.



Scheduled Visits of Founders on Groundbreaking Day

In the afternoon after the groundbreaking ceremony, scheduled visits by the Founders took place.

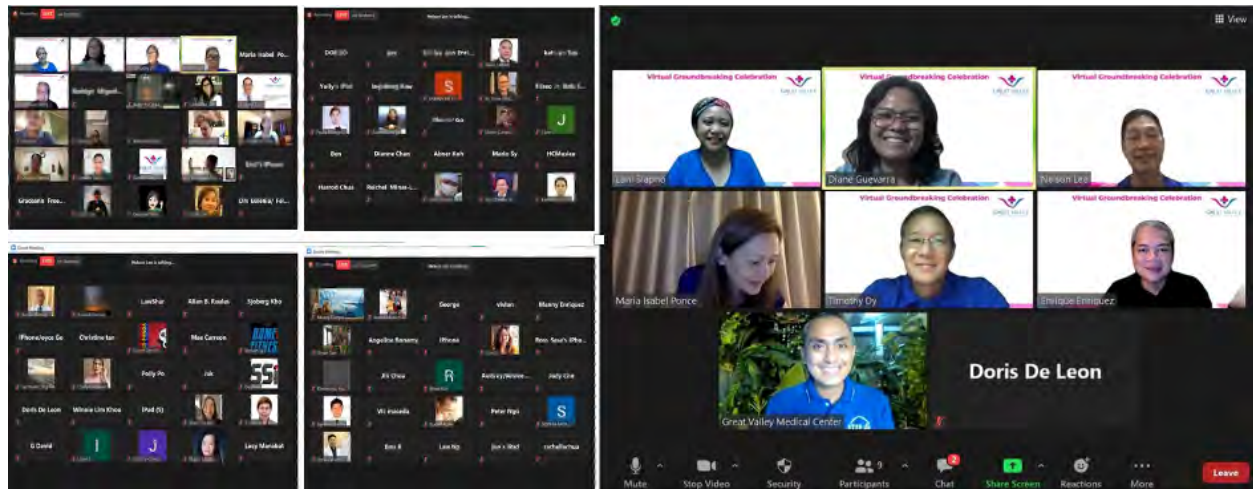


These visits were pre-scheduled in compliance with IATF guidelines. Visits were spaced out over a four-hour period.



Virtual Groundbreaking ceremony

A virtual groundbreaking ceremony was also held over Zoom the same evening, so our common shareholders could also experience the event. A same-day-edit video from the groundbreaking festivities was shared.



Thank you to the groundbreaking committee for a job well done!

BUSINESS DEVELOPMENT

Pre-Opening Business Plans

In March 2021, we formed the Virtual Hospital committee headed by **Dr. Catherine Teh**. Her committee is working hand in hand with the Website committee headed by Dr. Timothy Dy.

We envision a telemedicine platform run by GVMC physicians that will allow them to serve patients from nearby communities even before our hospital officially opens. This is meant to increase awareness in the Quezon City area about the soon-to-be-built GVMC.

To date, two companies have presented their virtual hospital platforms, and there are other proposals that are yet to be scheduled for presentation.

After our acquisition of the adjacent property, we also have the option to offer an interim Out-Patient Department (OPD), which again aims to service the needs of communities nearby.

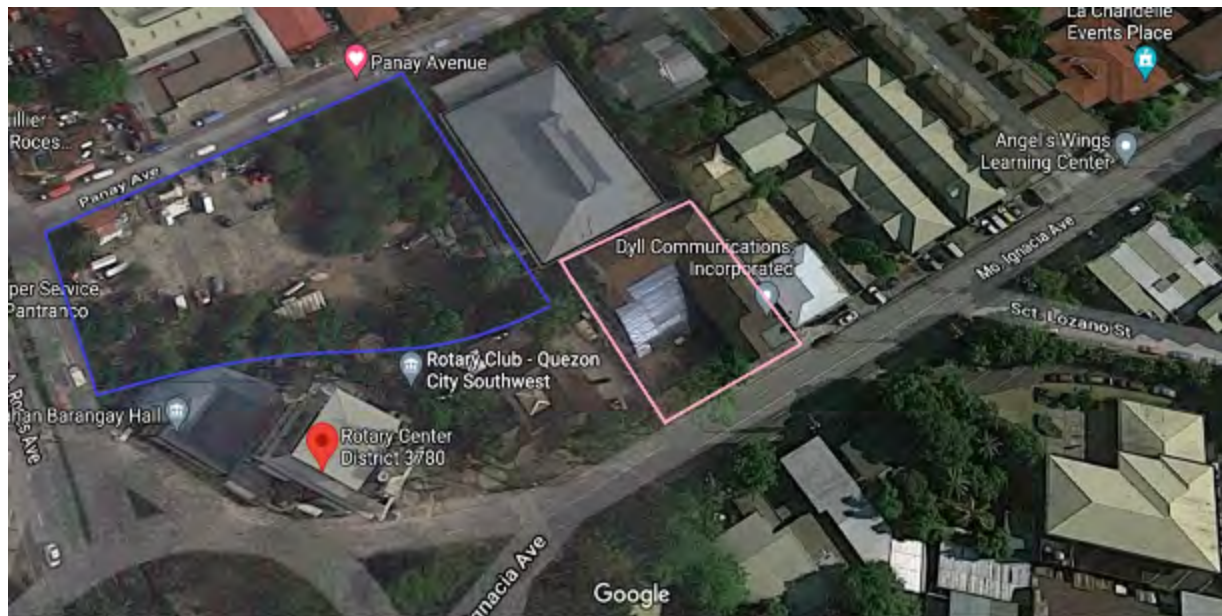
In both projects mentioned above, we hope that our GVMC doctors can also invite their present regular patients to avail themselves of the telemedicine platform and the OPD facility.

We are also assessing potential additional centers as suggested by some of the founders, including a Sports Clinic, an Aesthetic Center, a Palliative Care Center, a Molecular Laboratory, a Neuroscience Center, a Wound Care Unit, and a Burn Unit.

Acquisition of the adjacent property

Purchase and Near-term Plans

In July 2021, Dr. Roberto de Leon, Dr. Timothy Dy, Dr. Enrique Enriquez, and Dr. Edwin Tan negotiated with the owners of the property beside Nanka, which measures 1,117 sq m. The property acquisition deal was finalized in August and is now undergoing due diligence.



The Interim OPD (Primary Care Center) will be headed by **Dr. Melanie Siapno**. We intend to have 12 dialysis units (expandable to 20 units depending on the demand). We intend to offer X-ray, ECG, ultrasound, and laboratory services and will have 2 consultation rooms.

We anticipate that the OPD will generate some economic activity while we wait for the hospital construction to finish. Once the center is set up, we will encourage physicians to send their patients here, especially those they see in their teleconsult clinics.

The GVMC admin office, which is currently located at the Rotary Center Building, will be moved to this new area.

Long-term plans

Once the GVMC hospital is done, the interim OPD will be moved to the main hospital. The future plan for the new location is the construction of the GVMC Plaza where the following possibilities were raised.

- **1st floor & 2nd floor** - special commercial/business areas for banks, gourmet restaurants, and retail outlets
- **3rd to 5th floor** - leasable floor areas for medical-related specialty centers by group or private practice like Sports Clinic, Dermatology, Acupuncture, function room, etc

- **6th to 9th floors** - can be dedicated to Doctors Clinics that are leasable or for sale to affiliate GVMC doctors needing room space.
- **10th to 12th floors** - can be made into hotel-like accommodation for patients and relatives from outside Manila needing a place to stay while seeking care at GVMC.

Another possible project in the area is the construction of a GVMC Hospice / Assisted Living facility. All these are currently proposals and ideas, and decisions will be made at a later time.

CAPITALIZATION CHANGES

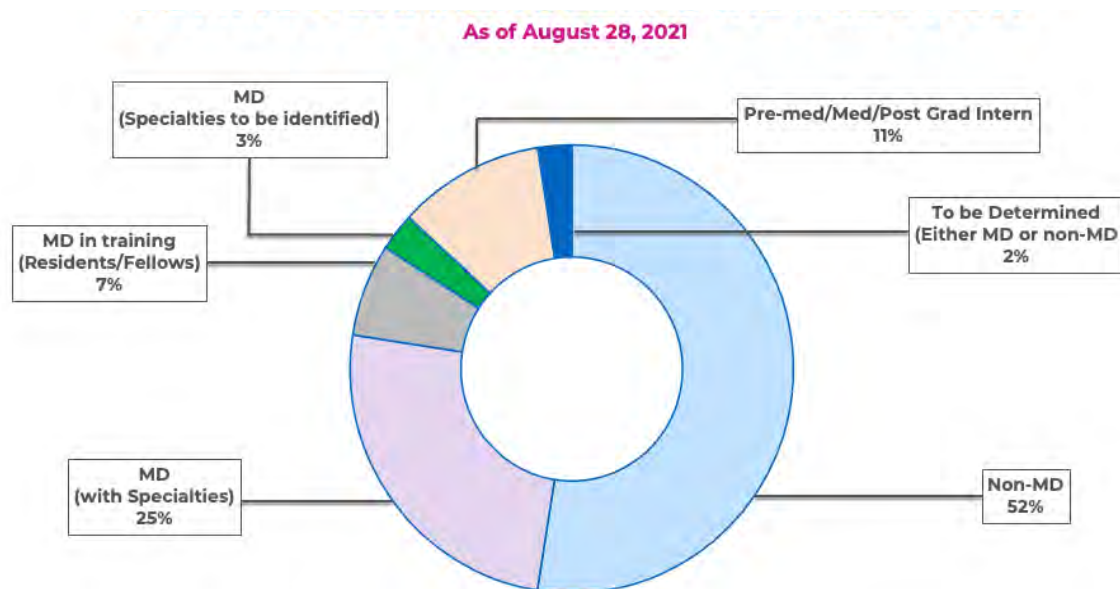
Increase in capital approved

In February 2020, the board approved an Increase in Capitalization of 300 million pesos. Since our shares have been fully subscribed, an increase in capitalization will allow us to accept more investors to join the GVMC project.

There was also a requirement for us to increase our capitalization to maximize our debt allocation from the banks. In July 2020, a proposal was presented to the founders and subsequently approved.

COMMON SHAREHOLDER DISTRIBUTION

The current common shareholder distribution is as follows:



In addition to the common shareholders, we also have four corporations that have obtained corporate shares.

INTERIM DEPARTMENT HEADS

Interim department heads have been identified for GVMC. Please find them listed below.

Anesthesiology	Dr. Larry King	40
- General Anesthesiology		23
- Cardiothoracic & Vascular		5
- Clinical & Intensive Care		4
- Neuroanesthesia		3
- Pain Management		1
- Pediatric Anesthesia		2
- Peripheral Nerve Block		1
- Transplant Anesthesia		1

Dermatology	Dr. Cecile Rosete	17
- Dermatology		15
- Derma Surgery		2

Emergency Medicine	Dr. Nestor Garcia	1
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ENT - HNS	Dr. Joselito David	12
- ENT - HNS		8
- Otology		1
- Laryngology		2
- Rhinology		1

Family Medicine	Dr. Patrick Lyndon Dayrit	3
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Medicine	Dr. Joy Cobankiat	139
- Internal Medicine		24
- IM Cardiology	Dr. Timothy Dy	13
* Cardiac Rehabilitation	Dr. Helen Ong-Garcia	1
* Interventional Cardiology	Dr. Alvin Dela Cruz	20
* Echocardiography	Dr. Aristides Panlilio	9
* Electrophysiology		2
- Endocrinology	Dr. Sjoberg Kho	9
- Gastroenterology	Dr. Maria Eulenia Nolasco	17
- Geriatrics	Dr. Mark Henry Joven	1
- Hematology	Dr. Judy Remylyn Lee	1
- Infectious Disease		6
- Medical Oncology	Dr. Wilson Ty	8
- Nephrology	Dr. Erleen Ngo	13
- Pulmonology	Dr. Abner Koh	12
- Rheumatology	Dr. Julie Li-Yu	2
- Obesity Medicine	Dr. Allen Paguntalan	1

Neurology	Dr. Winnie Sharon Lim-Khoo	6
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Nuclear Medicine	Dr. Eric Cruz	1
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Obstetrics & Gynecology	Dr. Margarita Agdamag	26
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Ophthalmology	Dr. Hernando Cruz Jr.	27
- General Ophthalmology		11
- Glaucoma		3
- Vitreo-Retina		3
- Neuro-Ophtha		1
- Pedia-Ophtha		1
- Orbit & Oculoplasty		4
- Cornea & External Disease		4

Pathology	Dr. Paulo Giovanni Mendoza	12
- Anatomic and Clinical - Molecular Patho - Onco Patho - Heme Patho - Bone & Soft Tissue - Gastro - Liver - Breast - Pedia Patho		10
- Uro Path		2

Pediatrics		34
- General Pediatrics		21
- Allergy and Immunology	Dr. Nanneth Tiu	1
- Neonatology		4
- Pediatric Cardiology	Dr. Doris De Leon	3
- Pediatric Intensivist	Dr. Maita Cruz	2
- Pediatric Infectious Disease	Dr. Arlene Dy-Co	1
- Pediatric Nephrology	Dr. Jemely Punzalan	1
- Pediatric Endocrinology	Dr. Hana Barbra Lo	1

Physical Medicine & Rehabilitation		4
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Psychiatry	Dr. Jerome Go	3
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Radiology		20
- General Ultrasound		7
- CT MRI		8
- Interventional		5

Radiation Oncology	Dr. Jon Cris Arcillas	13
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Surgery	Dr. Jason Letran	58
- General Surgery		9
- Hepato-Biliary	Dr. Catherine Teh	6
- Laparoscopic	Dr. Aaron Agdamag	2
- Neurosurgery	Dr. Michael Gimenez	7
- Oncology	Dr. Samuel Ang	2
- Orthopedics	Dr. Rey Thomas Dela Rosa	6
- Pediatric	Dr. Edrick Lim	1
- Plastic Surgery	Dr. Gerald Sy	3
- TCVS	Dr. Nelson Lee	6
- Transplant & Vascular	Dr. Ben Purugganan Jr.	4
- Urology	Dr. David Bolong	12

THE GVMC SECRETARIAT

As noted earlier in this report, we now have three staff working for us. They have been invaluable in the daily running of GVMC. We would like to thank Diane Guevarra, Alexis Antonio, and Jewel Pimentel for their tremendous help, without which we would not be able to accomplish all the things reported here. Thank you!

