

GREAT VALLEY MEDICAL CENTER 2022 YEAR END UPDATE

Pleasant greetings to all our GVMC family members. We are pleased to present to you the final update for 2022. There was no update for the 3rd quarter despite continued activities because these mostly entailed official paperwork and requests that required numerous meetings and follow-ups.

GVMC April – December 2022

Construction Update

1. Excavation
 - Our excavation contractor WECl is about to conclude their excavation works with the following details:
 - Depth: 26 meters
 - Volume: 126,790 cubic meters
 - Slope protection: soil nailing and shotcrete for 5 meters
 - Estimated 5,400 truckloads of excavated soil have been hauled





2. Quedancor Encroachment

- As mentioned in the March 2022 update, the foundation of our neighbor along Panay Avenue, Quedancor, was noted by WECl to encroached onto our property. This affects not just the ability of WECl to safely excavate this area but also affects our construction plans. This was a major issue that was tackled over the past few months by our board, executive, construction, and legal committees. After months of negotiations, deliberations, countless meetings, and letters back and forth, we have finally been granted permission to proceed with excavation as long as we ensure the structural integrity of our neighbor's edifice. Devising ways to ensure this are already underway. Needless to say, excavation in the small corner of the property can now be completed soon.



3. General Contractor Bidding

- Due diligence was conducted by the construction committee in evaluating the previously reported 3 shortlisted bidders. This included actual visits to their ongoing hospital projects as seen below.



- Submission of sealed bids received by Dr. Enriquez and Dr. Tan last April 27, 2022 from Thaison Builders, Terp Asia Construction Corp., and RP Alejandro.



- Opening of sealed bids last April 28 at Club Filipino attended by construction committee members, representatives from the 3 bidders and a few board members. This was held in the spirit of transparency – to show our bidders and board members that the sealed bids were opened by the committee as witnessed by the guests and to show that due process was followed.



- Revised bids were still requested after a series of clarificatory meetings since contractors had different interpretations of the terms of reference.

Comparative Table Of Price Proposals



	Bidder 1	Bidder 2	Bidder 3
• Original	4,441,212,361.07	2,331,064,543.18	3,979,656,870.46
• Up to 10th floor (with OSMs)	3,920,000,000.00	3,121,771,124.18	3,427,014,831.93
• Option 1 (without OSMs, including rebars and concrete as OSM)	1,800,000,000.00	1,308,711,171.86	1,154,895,266.56
• Option 2 (structural shell, MEPF roughing ins), no finishes	1,925,000,000.00	563,777,887.76	1,443,735,377.08

- Final proposal received:

GenCon Bidding



	THAI SON BUILDERS	TERP ASIA	R.P ALEJANDRO
<ul style="list-style-type: none"> • Submitted Cost Proposal (for structural shell with MEPF roughing ins on concrete slab only) 	P 918,000,000.00	P 517,204,717.97	P 530,820,508.30
<ul style="list-style-type: none"> • Best Offer 	P 913,000,000.00	P 415,000,000.00	P 440,000,000.00
<ul style="list-style-type: none"> • Terms of Payment 	<ul style="list-style-type: none"> - No down payment - First billing after 30% accomplishment - 24 months duration 	<ul style="list-style-type: none"> - No down payment - first billing after 20% accomplishment - 16 months duration 	<ul style="list-style-type: none"> - No down payment - first billing is after 5% accomplishment - 15 months duration

- The committee formed the final criteria to guide the final evaluations of the submitted bids. With criteria carefully established and processes strictly adhered to, the committee recommended to the board, Terp Asia, as GVMC's general contractor. Their submitted cost proposal is ₱517,204,717.97 and their best offer is ₱415M. The first billing is after 20% of the work has been accomplished with a targeted completion of the structure in 16 months, approximately in February 2024.

Criteria for the Gencon Selection:

a. Track Record	15%
b. Price of the submitted best offer for the Structural Shell	35%
c. Terms of Payment	15%
d. Duration of the Project	10%
e. Warranty	5%
f. Retention	5%
g. Price based on the original Phase 1	15%

Based on the criteria, the following bidders each garnered the following ratings:

a. Thaison Builders	75.24%
b. R.P. Alejandro	84.40%
c. TERP Asia	89.91%



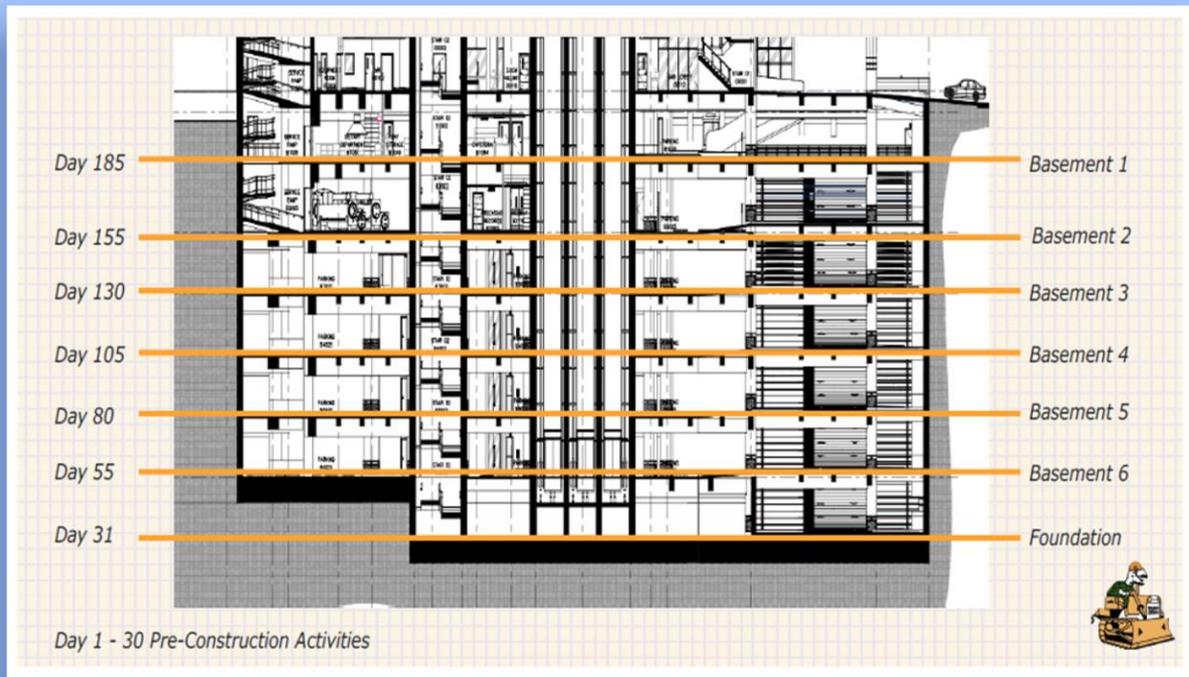
TERP ASIA
P 517,204,717.97
P 415,000,000.00
<ul style="list-style-type: none"> - No down payment - first billing after 20% accomplishment

4. Owner Supplied Materials (OSMs) – these can be availed directly from suppliers to reduce our project cost. Savings gained from having OSMs will lower the general contractor’s contract price, as well as their contingency allotment.
 - a. Elevators - proposals were initially received from the following:
 1. IFE
 2. Kone
 3. Hitachi
 4. Concepcion-Otis
 5. Hyundai
 6. IEEI (Mitsubishi)

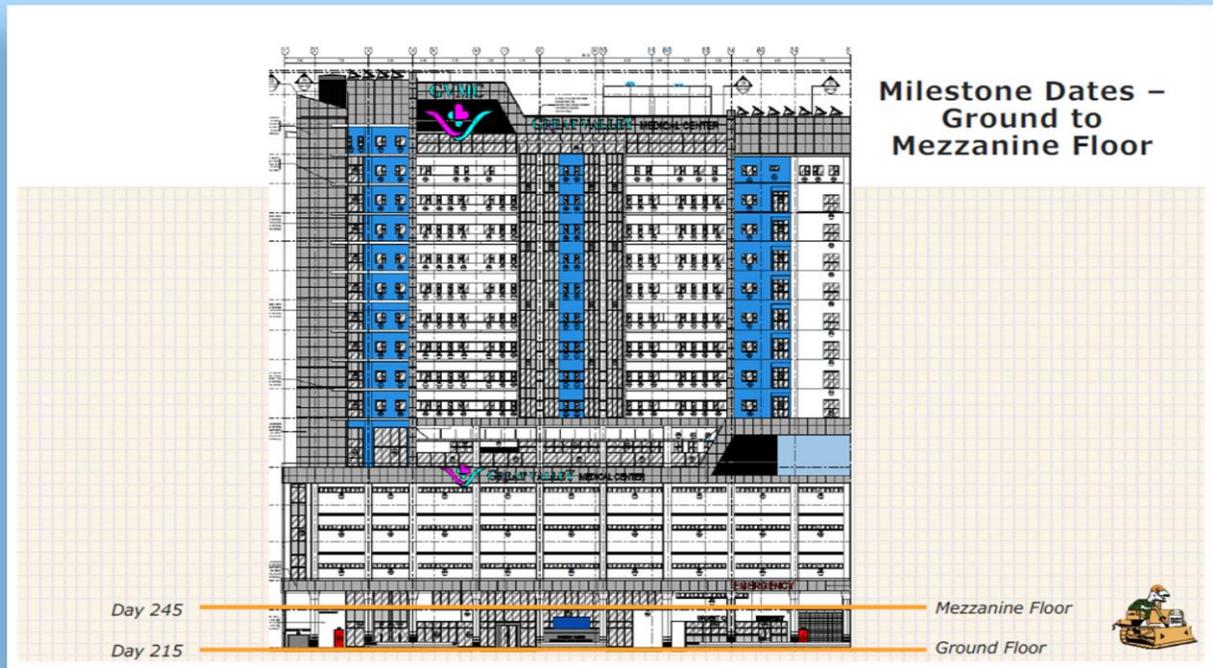
- The construction committee eventually agreed to purchase our elevators and escalators from IEEI, the exclusive distributor of Mitsubishi elevators and escalators in the Philippines. After a negotiation meeting, the final negotiated price is now at P 61.5M for 8 units of elevator and 6 units of escalators. After much deliberation, the committee concluded that Mitsubishi is the best choice for its durability and reliability.
 - b. HVAC (heating, ventilation, and air conditioning) – Prequalification is currently ongoing for air conditioning suppliers who have submitted their profiles.
 - c. STP (sewage treatment plan) – Proposals from 3 suppliers are currently being reviewed.
 - d. Steel – Initial talks with Steel Asia and Pag-Asa Steel have taken place. The committee agreed to close the deal with Steel Asia after submitted quotations were reviewed and clarificatory meetings were held.
 - e. Cement - Deecon, Magnacem, Megacem and Peak Sun Enterprises were invited to one of our construction meetings to allow them to present their products and estimated costs based on our project’s needs. The committee is still evaluating whether to classify this as OSM or to have this included with Terp Asia.
5. Hospital Construction in Phases
 - We initially planned our first phase to comprise of Basement 6 up to the 15th floor of the medical arts building as structural shell, while the hospital side will have complete finishings from basement 6 up to the 8th floor.
 - Considering prudent use of resources, the construction committee agreed to restructure the original phase 1. Both the medical arts and hospital side will be built from basement 6 to 10th floor. The hospital will be fully functional up to the 8th floor with the 9th to 10th floors serving as buffer floors in preparation for phase 2, which is the 11th to 15th floors. At any given time, we can activate both 9th and 10th floors should there be a demand for more hospital services.

6. Terp Asia's Structural Timeline

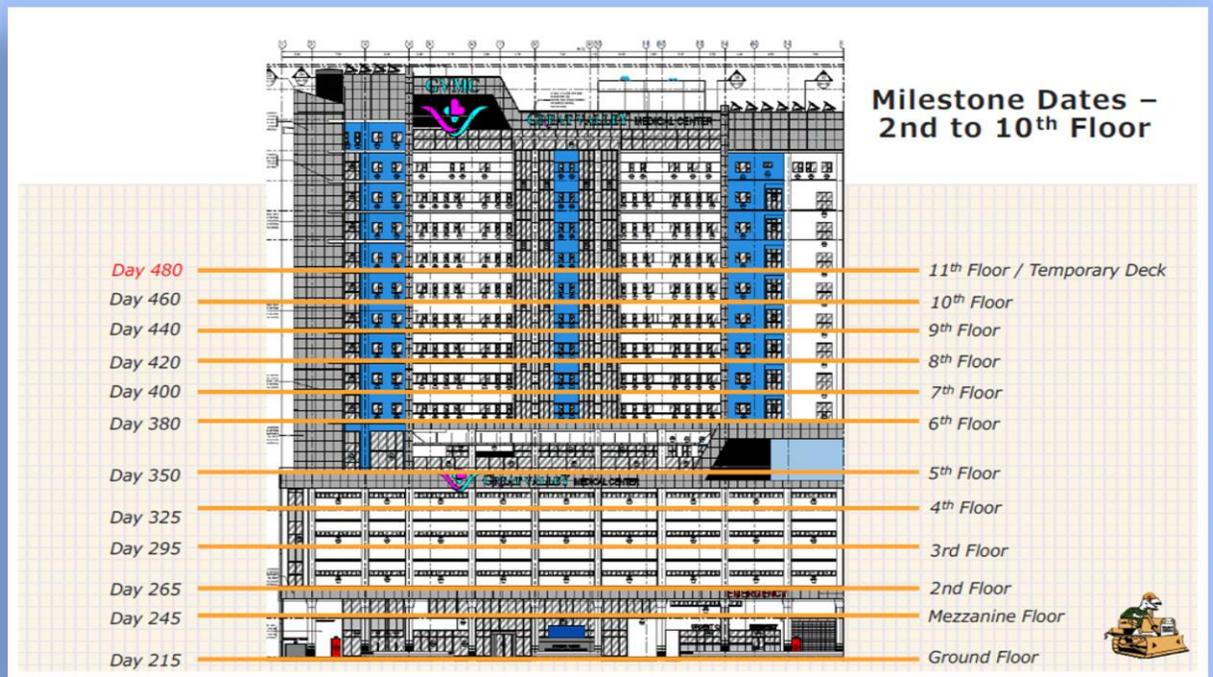
- As the construction of our structure will begin soon, Terp Asia has put their plans in place.
- Days 1 to 30 is comprised of pre-construction activities such as due diligence, determining the cutting list from the BIM and the turnover of the lot from WECl.
- After which, day 31 will be the start of works for the foundation up to basement 1 until day 214.



- Terp Asia will begin working on the ground and mezzanine floors from Day 215 to Day 264.



- We're expecting the completion of our structure in 480 days or almost 16 months in favorable conditions.



7. Contract Signing Event

- Last September 24, 2022, a contract signing event took place as we reached another milestone in our project. GVMC, in partnership with Terp Asia, will officially work as partners in building this project. This occasion was an opportunity for our founders to meet and interact with fellow GVMC family members. This event was held at the Manila Polo Club and was also our first ever face-to-face event since the groundbreaking.
- Our Events Committee prepared a program that highlighted the overview of the project and the contract signing ceremony. It was a founders' only event with raffle, themed performances, dancing, food, fun and fellowship.

Potential Banks for Loan Application

- Funding for the project has always been a priority. Initial talks with AUB, DBP and Security Bank have already been conducted and options have been laid out. Lately, we have touched base with Landbank who seems to be keen on offering us a good package as well.
- The finance committee is having been carefully monitoring the broad and dynamic economic changes. Our current estimated total project cost of ₱3 billion.
- With our current equity levels, we are on track to surpass the debt-to-equity ratios required by banks to fund the construction project., Due to the global economic crisis, interest rates have continued to rise. Our present challenge is to continue to raise more equity through the issuance of additional common shares. As much as possible, we want to minimize debt and future interest payments to maintain the healthy financial standing of our project. Rest assured we are confident that this project will be completed as projected with enough funds until completion.

Branding

1. Hoarding

- Our perimeter hoarding was put up along Panay and Roces Avenues. This was designed by our branding company, Vitamin B and executed by Big Banners, Inc. These have and will continue to aid our marketing efforts as well add project visibility.

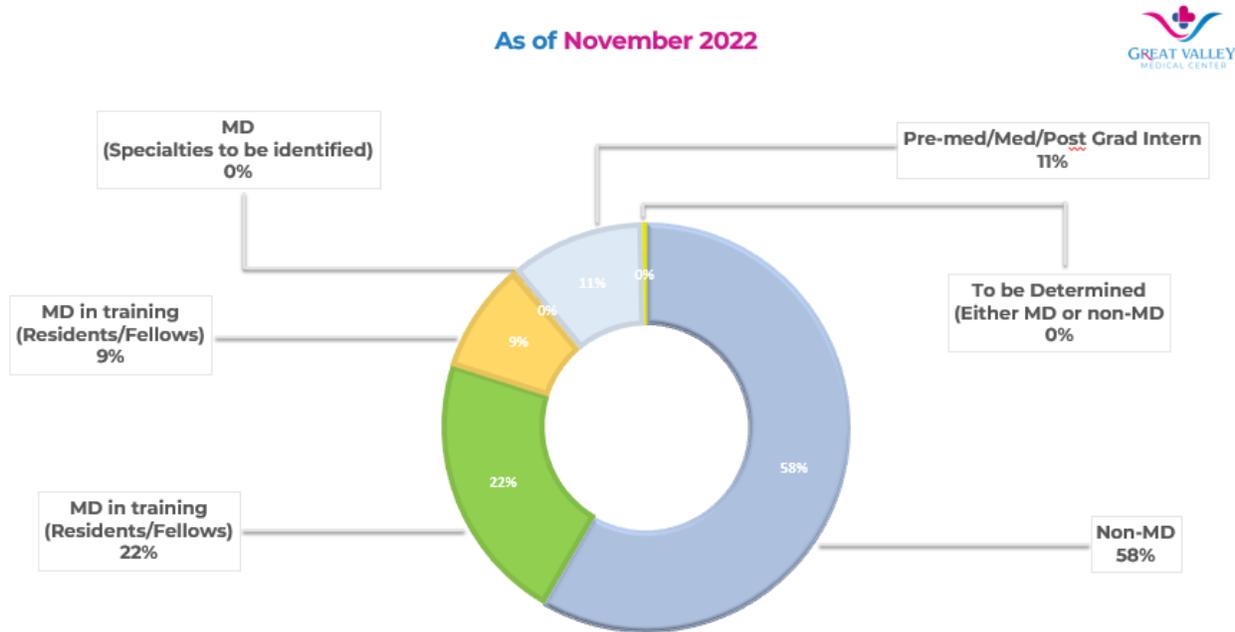
2. Website

- www.gvmc.ph was officially launched in June 2022. It is an informational website wherein an overview of the project is presented. The officers and working committees are also presented. Updates and videos can be accessed and the website can also accommodate inquiries through the "contact us" page. GVMC family members can visit the site for updates, and potential shareholders may also learn more about our project through this site.

3. Collaterals

- Printing of stock certificates, letter envelopes, folders and letterhead have been completed.

Common Shareholder Distribution



Number of Doctors by Specialty

As of November 2022



Doctors and their Specialties	MD
Anesthesiology	60
Dental Medicine	13
Dermatology	21
Emergency Medicine	2
Otolaryngology	18
Family Medicine	11
Integrative Medicine	1
IM	61
Cardiology	56
Endocrinology	12
Gastroenterology	24
Geriatrics	3

Hematology	3
Infectious Disease	7
Oncology	8
Nephrology	19
Obesity Medicine	1
Pulmonology	16
Rheumatology	2
Neurology	10
Nuclear Medicine	1
Obstetrics & Gynecology	42
Ophthalmology	36
Pathology	15
Pediatrics	49
Physical Med And Rehab	11
Psychiatry	4
Radiology	34
Radio Oncology	17
General Surgery	20
Colorectal Surgery	2
Hepatobiliary Surgery	7
Laparoscopic Surgery	2
Neurosurgery	8
Surgical Oncology	3
Orthopedic Surgery	12
Pediatric Surgery	1
Plastic Surgery	5
TCVS	8
Transplant And Vascular Surgery	4
Urology	19
Healthcare Management	1
Palliative Medicine	1
General Physicians	27
Total number of Founder and Common Shareholder:	678

- Our medical execom has been tallying the number of doctors and the various specializations.
- As has been noted, we need to invite more of the following specialties to be able to deliver quality service to our patients: Emergency medicine, Hematology, Oncology, Rheumatology, Nuclear Medicine, Colorectal Surgery, Surgical Oncology, Orthopedic Surgery, Pediatric Surgery, TCVS, Palliative Medicine. Please note Pathology and Radiology departments are currently full and closed to new members.
- Our medical execom is also starting to work on our clinic assignments to accommodate our common shareholders.

Project Presentation

- We recently had our project presentation last October 17, 2022. The recording of the said presentation will be made available soon at our website. Announcement on the schedule of the next project presentation will be made by next year once it has been finalized.
- Please note that our current shareholder price is at ₱750,000.00 per block, while our corporate shareholder price is now at ₱650,000.00 per block for the corporate minimum of 25 blocks.

GVMC Holiday Wishes

As you can see the past few months have continued to be busy for the GVMC Board, Executive Committee, Construction Committee, Branding Committee, Legal as well as Events committees.

These committees will continue to work hard in 2023 and beyond to ensure the project will reach completion. We welcome any questions, clarifications, and suggestions. Please feel free to get in touch with our secretariat at: +639171544862; +639457281921; +639189578469.

GVMC would like to wish you and all your loved ones a safe, meaningful, and happy holidays ahead. We will continue to update all of you after the first quarter of 2023.

Merry Christmas and a Happy New Year!