

COVER SHEET

ASO94-00011249

S.E.C. Registration Number

ASIAN HOSPITAL, INC.

(Company's Full Name)

2205 CIVIC DRIVE, FILINVEST
CORPORATE CITY, ALABANG
MUNTINLUPA CITY

(Business Address: No. Street City / Town / Province)

ANDRES M. LICAROS JR.

Contact Person

(632) 771-9000 to 02

Company Telephone Number

12 31

Month Day
Fiscal Year

SEC 17A

FORM TYPE

Month Day

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

604

Total No. of Stockholders

Total Amount of Borrowings

N/A

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended December 31, 2021
2. SEC Identification Number ASO94-00011249 3. BIR Tax Identification No. 004-502-062-000
4. Exact name of issuer as specified in its charter ASIAN HOSPITAL, INC.
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 2205 Civic Drive, Filinvest Corporate City
Alabang, Muntinlupa City 1780
Address of principal office Postal Code
8. (632) 8771-9000 to 9002
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding</u> |
|-------------------------------------|----------------------------------------------------------------------------------------|
| <u>Common Stock, PHP1 Par Value</u> | <u>1,936,728,391 (as of December 31, 2021)</u> |
11. Are any or all of these securities listed on a Stock Exchange.
Yes [] No [☒]
If yes, state the name of such stock exchange and the classes of securities listed therein:
N/A N/A
12. Check whether the issuer:
(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that 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 [☐]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.
14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [☐]

No [☐]

NOT APPLICABLE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:
- (a) Any annual report to security holders;
 - (b) Any information statement filed pursuant to SRC Rule 20;
 - (c) Any prospectus filed pursuant to SRC Rule 8.1.

NONE OF THE FOLLOWING REPORTS ARE INCORPORATED BY REFERENCE

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

The Issuer, Asian Hospital, Inc. ("AHI" or the "Company") was incorporated on December 12, 1994 with the Securities and Exchange Commission ("SEC"), under SEC Registration No. ASO94-00011249.

AHI operates and manages the Asian Hospital and Medical Center (the "Hospital"), a tertiary hospital located at 2205 Civic Drive, Filinvest Corporate City in Alabang, Muntinlupa City. The Hospital's operations started on March 15, 2002.

AHI has not filed for bankruptcy, receivership or other similar proceedings.

Business of Issuer

Under its Articles of Incorporation, the primary purpose of AHI is to establish, maintain, operate, own and manage hospitals, medical and other related healthcare facilities and businesses including pharmacies, diagnostics centers, ambulatory clinics, medical laboratories, scientific research and educational institutions and other allied undertakings and services which shall provide professional, medical, surgical, nursing, therapeutic, paramedic or other care.

The principal products or services offered by the Hospital are divided into Routine Services and Ancillary Services. The Routine Services include room and board, general nursing units, perioperative services, critical care and emergency services. Ancillary Services include pharmacy, pathology and clinical laboratories, radiology, radiotherapy and other oncology care services, pulmonary and respiratory therapy, rehab medicine, heart station, neuroscience, cardiac catheterization laboratory, audiology and dermatology. The contribution of these products and services to revenues is discussed in Item 6 - Management Discussion and Analysis and Plan of Operations under the heading, Income Statement.

Competition

The 296-bed Hospital is one of the major medical care facilities of its standard in the country. The immediate catchment area of the Hospital includes the cities of Las Piñas, Muntinlupa and Parañaque, and the secondary catchment area of the Hospital is the fast-growing Cavite-Laguna-Batangas area.

The total population of the Philippines as of May 2020 is at 109.04 million. Of the 17 administrative regions, Region IV-A (CALABARZON) had the biggest population in 2020 with 16.20 million, followed by the National Capital Region (NCR) with 13.48 million and Region III (Central Luzon) with 12.42 million. The combined population of these three regions accounted for about 38.6 percent of the Philippine population in 2020.

The areas with the fastest growing populations are found in the immediate south of Metro Manila, i.e., Muntinlupa City and Region IV-A. Muntinlupa is considered the "gateway" to the southern regions. The continued positive developments in the CALABARZON, with the development of new residential and industrial communities, augur well for the Hospital. The members of these communities have access to quality healthcare facilities without having to travel to the center of Metro Manila.

The primary competitors of AHI are Makati Medical Center in Makati City, St. Luke's Medical Center in Taguig and The Medical City in Pasig City. All of these competitors are tertiary hospitals.

Makati Medical Center, which commenced operations in 1969, is a tertiary hospital that provides medical and surgical facilities. St. Luke's Medical Center-Global City opened in late 2009. Its medical facility consists of 14-storey building, with more than 600-bed capacity, and its clinics are located at the 11-storey Medical Arts

Building. The Medical City, on the other hand, is a tertiary care hospital with over fifty years' experience in hospital operation and administration. Its main facility is located in Pasig City, with capacity of up to 800 beds.

Sources and Availability of Raw Materials and the Names of Principal Suppliers

The following lists AHI's major contractors and suppliers as of December 31, 2021:

Name of Supplier	Nature of Product Supplied
Zuellig Pharma Corporation, Assurance Controls Technologies Co., Inc., Metro Drug Inc., United Laboratories, Rebmann, Incorporated, IDS Medical Systems Philippines, Inc., Medi Linx Laboratory Inc., The Cathay Drug Co. Inc.	Medicines and medical supplies
Philips Philippines Inc., Fujifilm Philippines, Inc., General Electric Philippines Inc., Health Solutions Enterprises, Inc., RBMB Medical Supplies Enterprises, Medilight Inc., General Electric Philippines, Inc., Pneumo Vent Medical Enterprises Inc.	Hospital equipment

There are likewise a number of reputable manufacturers of hospital equipment in the country that AHI may source its supplies depending on its need.

Government Approvals

AHI has obtained all the necessary local government permits and certifications. AHI has complied with all annual renewals of other permits and licenses as of December 31, 2021.

Government Regulations

Under Republic Act ("RA") No. 7432, otherwise known as the "Senior Citizens Act", senior citizens are granted a 20% discount on goods and services, including medical and dental services in private facilities, as well as diagnostic laboratory fees (X-rays, computerized tomography scans and blood tests), and professional fees of attending doctors in all private hospitals and medical facilities. The law also applies to purchases from drug stores, hospital pharmacies and similar establishments dispensing medicines. The law allows the deduction of the senior citizen discount extended by AHI from AHI's gross revenues during the same taxable year. In 2010, RA No. 7432 was further amended by RA No. 9994, or the "Expanded Senior Citizens Act", which granted senior citizens additional privileges, such as exemption from the 12% expanded value-added tax (EVAT). The EVAT exemption for senior citizens applies to, among others, purchases of medicines and essential medical supplies. RA No. 9994 provides for the sharing of the burden between the hospital and the manufacturer. Hence, the Hospital is able to manage its exposures.

RA No. 7277, as amended by RA No. 9442, otherwise known as "Magna Carta for Disabled Persons" provides for additional privileges to persons with disability. In particular, persons with disability are entitled to 20% discount on their purchase of medicines, medical and dental services, including diagnostic and laboratory fees, and professional fees of attending doctors in all private hospitals and medical facilities.

On July 27, 2009, Executive Order ("EO") No. 821 was signed, prescribing the maximum retail prices for selected drugs and medicines. The EO took effect on August 15, 2009. The implementation of the EO No. 821 has the effect of reducing the Hospital's revenues. However, with appropriate cost reductions, AHI was able to maintain its margins.

On August 3, 2017, RA No. 10932, otherwise known as the "Anti-Hospital Deposit Law", was signed increasing the penalties for refusal of hospitals and clinics to administer appropriate initial medical treatment in emergency or serious cases.

In January 2019, RA No. 10963, otherwise known as the "Tax Reform for Accreditation and Inclusion Act" or the TRAIN Law, exempted from twelve percent (12%) VAT the sales of prescription drugs and medicines used to treat diabetes, hypertension and high cholesterol.

In May 2019, the Implementing Rules and Regulations ("IRR") for RA No. 11210 or the "Expanded Maternity Leave Law", was enacted. Under the law, both government and private employers are required to give female workers 105 days paid maternity leave with an option to extend for an additional 30 days without pay. It applies to every instance of pregnancy, and employers are required to grant it regardless of the mode of delivery, civil status, legitimacy of the child and employment status. However, for cases of miscarriage or emergency termination of pregnancy, 60 days maternity leave with full pay shall be granted.

In August 2019, the IRR for RA No. 11215 or National Integrated Cancer Control Law was signed by Department of Health. The IRR provides for the mechanisms by which cancer prevention, screening, diagnosis, treatment and care can be more equitable, affordable and accessible for all, especially the underprivileged, poor and marginalized Filipino.

In October 2019, the IRR for RA No. 11223 or the "Universal Health Care Act" was signed. Under this law, all Filipino citizens are automatically enrolled in the Philippine Health Insurance Corporation (PhilHealth). Indigent patients are likewise eligible to PhilHealth's "No Balance Billing" scheme, which provides that no other fees or expenses shall be charged or paid for by indigent patients beyond the PhilHealth packaged rates during their confinement period.

In February 2020, EO No. 104 or "Improving Access to Healthcare Through the Regulation of Prices in the Retail of Drugs and Medicines" was signed. The EO regulates the prices, through a maximum retail price (MRP), a maximum wholesale price (MWP), or both, of at least 86 drug molecules or 133 drug formulas, selected based on a set of criteria.

In March 2020, RA No. 11469, otherwise known as the "Bayanihan to Heal as One Act" declared a state of national emergency over the entire Philippines and granted certain powers to the Chief Executive to allow for greater flexibility in responding to the COVID-19 pandemic. This law was effective until June 25, 2020.

In April 2020, PhilHealth assured the public that it is committed to pay benefits due all Covid-19 patients regardless of their admission date, upholding its earlier announcement that it will pay at cost until April 14, and through its new case rate packages starting April 15 onwards. PhilHealth clarified the need for prudence in managing its funds and striking a balance between being able to support patients in the present and the need to support more patients in the future. It affirmed that it has the responsibility to the Filipino people to make sure that the PhilHealth fund is always ready to continue paying for the medical expenses of Covid-19 patients, as well as indigent members.

In April 2021, RA No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises Act" took effect. The law reduced the corporate income tax for domestic corporations from the previous 30% to 25%. Corporations with net taxable income not exceeding Php5 Million and with total assets not exceeding Php100 Million, excluding land on which the particular business entity's office, plant and equipment are situated, during the taxable year for which the tax is imposed, shall be taxed at the rate of 20%.

In April 2021, the Department of Health issued the "Updated Suggested Retail Price (SRPs) for Essential Emergency Medicines and Medical Devices due to the Coronavirus Disease 2019 (COVID-19) Health Event".

A periodic review of the Hospital's operating margins is being undertaken to ensure that the Hospital will not suffer any significant financial burden as a result of the foregoing laws and regulations.

Employees

As of December 31, 2021, AHI has a total of 1,353 regular and probationary employees, distributed as follows:

	Admin./Clerical	Section Head	Managerial	Total
Operations				
Patient Care (Nursing and Asian Cancer Institute)	457	15	39	511
Ancillary	301	15	55	371
Medical Affairs/Quality Management	92	11	26	129
Support Services				
Finance/IT/Medical Records	159	20	38	217
Operations (Security/Plant Operations)	29	9	10	48
HR/Training / Admin	15	5	20	40
Marketing	19	2	9	30
Executive Office	2	4	1	7
Total	1,074	81	198	1,353

There is no existing labor organization or union among the employees of AHI. AHI employees have likewise not gone on strike or other concerted union action.

AHI adopts a performance-based compensation scheme for its employees.

Currency Risk

AHI is exposed to foreign currency risks arising from its foreign cash and cash equivalents holdings, as well as its international insurance. In addition, AHI has transactional currency exposures arising from purchases of medical equipment or supplies in currencies other than Philippine Peso. AHI relies on its ability to generate dollar-based revenue from its foreign patients to mitigate this risk.

Management of Incidents and Sentinel Events

The major risks involved in AHI's operation are the occurrence of incidents and sentinel events. Anything relayed and/or observed occurring out of the ordinary expectations of the patients/clients is considered an "incident", while "sentinel events" are unexpected occurrences involving death or serious physical or psychological injury or the risk thereof.

A Policy on Incident Reporting and Sentinel Event Reporting was established by AHI to ensure appropriate and timely reporting of these occurrences. This Policy states the action plan and the responsibilities of all concerned personnel and the activities involved in incident and sentinel event reporting.

The Policy outlines the manner of reporting, the timeliness of reporting and the specific people to whom the report should be made.

Item 2. Properties

The major property owned by the Company is as follows:

<u>Location</u>	<u>Land Area (in sqm)</u>	<u>Description</u>
2205 Civic Drive Filinvest Corporate City, Alabang, Muntinlupa City	17,250 square meters with	Hospital and Medical Office Building

Item 3. Legal Proceedings

There are no material pending legal proceedings that involve AHI or any property of AHI.

Item 4. Submission of Matters to a Vote of Security Holders

At the virtual annual meeting of AHI's stockholders held on April 30, 2021 ("Annual Meeting"), the following matters were submitted for approval of the stockholders:

- (i) Approval of the minutes of the annual meeting of the stockholders held on September 15, 2020;
- (ii) Approval of the Audited Financial Statements for the year ended December 31, 2020;
- (iii) Ratification of the corporate acts of the Board of Directors and management since September 15, 2020;
- (iv) Election of Directors for 2021-2022; and
- (v) Appointment of External Auditor for 2021.

There was no person who had been a director or officer of AHI at any time since the beginning of the last fiscal year, or who was a nominee for election as director, or an associate of any of the foregoing persons who had a substantial interest in any matter acted upon in the Annual Meeting. No member of the Board had opposed any action taken by AHI at the Annual Meeting.

The stockholders at the said meeting approved all the matters mentioned above. There has been no other matter submitted to a vote of the stockholders otherwise than at the Annual Meeting of the stockholders as stated above.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The common equity of AHI is not listed in any stock exchange nor is it actively traded.

On January 25, 2008, the Board approved the issuance of additional common shares of stock of AHI at a subscription price of PHP1.13 per share, subject to the pre-emptive rights of AHI's existing stockholders as of January 15, 2008. On the same day, the Board authorized AHI to:

- Execute a subscription agreement with stockholders of AHI exercising their pre-emptive rights to subscribe to the issuance of additional shares of stock.
- Execute a subscription agreement with Metro Pacific Hospital Holdings, Inc. (MPHHI") (formerly known as Neptune Stroika Holdings, Inc. or NSHI) whereby the latter shall subscribe to all additional shares that are not taken up or subscribed to by other existing shareholders of AHI at PHP1.13 per share.

In February 2008, twenty-two stockholders exercised their pre-emptive rights and subscribed to the additional 312,278,761 shares of stock issued out of the unissued authorized capital stock of AHI. In March 2008, upon payment of the subscriptions, such shares were issued resulting to an increase in issued capital stock and additional paid-in capital by PHP312,278,761 and PHP40,596,239, respectively.

Stockholders

Based on the records of AHI's stock transfer agent, as of December 31, 2021, AHI has 604 common stockholders. Below is the list of the top 20 stockholders as of December 31, 2021:

	STOCKHOLDER	NO. OF SHARES	%
1	METRO PACIFIC HOSPITAL HOLDINGS, INC. (Formerly, Neptune Stroika Holdings, Inc.)	1,016,151,999	52.47
2	ASIAN HOSPITAL HOLDINGS CORPORATION (Formerly, Bumrungrad International Philippines, Inc.)	532,582,396	27.50
3	METRO PACIFIC INVESTMENTS CORPORATION	109,278,743	5.64
4	GARCIA, JORGE M.	64,302,100	3.32
5	GILT-EDGED PROPERTIES, INC.	8,396,450	0.43
6	MENDIOLA, ROLANDO	1,806,210	0.09
7	ARCILLA, LEONIDA C.	1,481,423	0.08
8	EJERCITO, BEATRIZ DE CASTRO	1,478,769	0.08
	MAGPANTAY, NAPOLEON N. &/OR MAGPANTAY, CRISTETA B.	1,478,769	0.08
	NCPS, INC.	1,478,769	0.08
	PILIPINAS GEM CORPORATION	1,478,769	0.08
9	LIRIO, RENATO E.	1,183,015	0.06
	YATCO, EMILIO B. &/OR YATCO, JOSEPHINE B.	1,183,015	0.06
10	MARTINEZ, DANILO	940,497	0.05
11	D.M. CONSUNJI, INC.	904,119	0.05
12	CARLOS, CRIS &/OR CARLOS, JOSEFINA	895,188	0.05
13	ALIBUDBUD, BIENVENIDO A.	887,261	0.05
	EQUITABLE PCI BANK, INC.	887,261	0.05

	MADERAZO, EUFRONIO G.	887,261	0.05
	SINGSON, CARLO ROY R.	887,261	0.05
	SINGSON, JAIME ENRICO R.	887,261	0.05
	SINGSON, MARC OLIVER R.	887,261	0.05
	SINGSON, MELISSA VICTORIA R.	887,261	0.05
14	ABEJUELA, MARIE MICHELLE PACIENCIA S.	827,210	0.04
15	IMPERIAL, ANN MARIE Y. CO / IMPERIAL, MARK ANTHONY T.	816,280	0.04
16	CHUA, THOMAS Y.	789,871	0.04
17	ZARAGOZA, RAFAEL	769,020	0.04
18	LITONJUA, AUGUSTO D.	738,232	0.04
19	CACDAC, MANUEL	731,008	0.04
20	DEL MUNDO, AMOR S.	709,809	0.04

Dividends

AHI declared dividends in the total amount of Php52.3 million and Php129.8 million in 2021 and 2020, respectively.

Recent Sales of Unregistered or Exempt Securities

There are no shares issued by AHI within the past three years, which were not registered with the SEC pursuant to the Securities Regulation Code.

Item 6. Management's Discussion and Analysis or Plan of Operations

Statement of Financial Position

Comparing December 31, 2021 and 2020

AHI's total assets at year-end 2021 and 2020 ended at Php5.5 billion and Php5.2 billion, respectively. Total liabilities slightly increased by Php8.7 million as of year-end 2021, while stockholders' equity closed at Php4.7 billion, which was 6.4% higher than the previous year.

Total current assets increased to Php1.3 billion as of year-end 2021, as against Php976.2 million in 2020. Cash and cash equivalents increased to Php686.6 million in 2021 from Php381.5 million in 2020. Accounts receivable increased to Php368.2 million in 2021 from Php333.2 million in 2020. The inventory of medicines and medical supplies amounted to Php231.5 million in 2021 and Php230.5 million in 2020.

Total non-current assets, which accounted for about 76.0% of the total assets in 2021 and 81.2% in 2020, amounted to Php4.2 billion in 2021 and 2020. Cost of the hospital building and investment in medical equipment comprised the bulk of the non-current assets.

Total current liabilities increased to Php788.6 million in 2021 from Php754.0 million in 2020.

Non-current liabilities which consisted of retirement benefits accrual and lease liability stood at Php20.0 million in December 2021 versus Php45.9 million as of the end of 2020.

The shareholders' equity increased to Php4.7 billion in 2021 from Php4.4 billion in 2020.

Income Statements

Comparing 2021 and 2020

Net patient service revenues increased by 14.5% to Php3.3 billion from Php2.9 billion in the previous year. Of the gross patient service revenues, ancillary services contributed Php3,805.1 million in 2021 and Php3,209.3 million in 2020, while routine services, which include room and board, stood at Php272.8 million in 2021 and Php425.0 million in 2020.

Cost of services and sales remained the same at approximately Php2.1 billion for 2021 and 2020. A breakdown of the Cost of Services and Sales for years 2021 and 2020 is provided below:

Cost of Services and Sales	2021	2020
Medicine and Medical supplies	1,022,345,795	984,095,460
Personnel costs	361,159,182	357,438,980
Professional fees and outside services	204,511,101	197,380,881
Reader's Fee	177,454,313	148,835,039
Depreciation	175,616,037	210,140,280
Communication, light and water	91,773,760	90,515,605
Patient meals	34,203,853	45,739,961
Repairs and maintenance	20,062,149	10,422,580
Supplies	17,703,464	18,375,486
Rent	15,283,886	17,769,336
Others	27,692,299	17,929,315
Total	2,147,805,839	2,098,642,923

Medicines and medical supplies inched up by 3.9% mainly due to the global pandemic. Professional fees and outside services increased by 3.6% mainly due to higher medical outside tests. Reader's fees increased by 19.2% due to higher outpatient volume.

The decrease in depreciation is mainly attributed to the full depreciation of certain medical equipment. The increase in communication, light and water is mainly due to higher power rate. The increase in repairs and maintenance is mainly due to lower repair of medical equipment in previous year. The decrease in patient meals and supplies is mainly due to lower admission census.

Rent expense decreased primarily due to the decrease in the lease of medical equipment. The increase in the cost item "others" is mainly attributed to higher travel expenses pertaining to nursing allowance.

Operating expenses for year 2021 increased compared to 2020, and amounted to approximately Php1 Billion. A breakdown of the Operating Expenses for years 2021 and 2020 is provided below:

Operating Expenses	2021	2020
Personnel costs	303,203,588	267,975,262
Provision for doubtful accounts	188,400,074	133,950,421
Depreciation	168,977,993	162,242,510
Professional fees and outside services	140,820,271	133,326,423
Repairs and maintenance	50,045,488	45,285,253
Communication, light and water	42,140,709	39,793,721
Taxes and licenses	31,105,111	49,758,710

Entertainment, amusement and recreation	18,974,651	17,826,482
Supplies	16,341,279	17,020,543
Insurance	14,516,308	15,721,951
Transportation and travel	10,571,328	9,688,339
Rent	6,905,022	7,229,699
Amortization of software	6,634,461	9,931,980
Advertising	3,305,297	6,619,402
Others	42,480,620	55,440,494
Total	1,044,422,200	971,811,190

The increase in personnel expenses is mainly attributed to gratuity pay and higher utilization of medical benefits. The increase in provision for doubtful accounts is mainly due to a slow down in Philhealth payment. The increase in depreciation is mainly due to depreciation of building and hospital information and equipment system. The increase in professional fees and outside services is mainly due to the increase in legal and consultant fees.

The increase in communication, light and water is mainly due to higher power rate. The decrease in taxes and licenses is mainly due to final settlement and payment of 2013 income tax assessment in the previous year. The decrease in the item "others" is mainly due to closure of canteen operations.

Financing expenses decreased by Php1.8 million or 59.8% compared to the same period last year mainly due to net interest from retirement benefit cost.

The depreciation of the US dollar against the Philippine peso resulted in a favorable exchange of foreign currency denominated cash and receivables.

The increase in AHI's "Other Income" is mainly due to recovery of bad debts provision.

AHI is already debt free as of year 2017 and has tremendously increased its cash position. Thereby, all major capital expenditure, new and replacements, are funded from cash generated from the Company's operations. The Company does not intend to raise additional funds nor to obtain new loans to fund its capital expenditures and has no product research and development plan in the next twelve months. The Company is expecting to purchase medical equipment in 2022 in order only to replace existing equipment.

Effect of COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 virus as a global pandemic. In a move to contain the COVID-19 pandemic, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region (NCR) effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020 and further extended to May 15, 2020. The ECQ shifted to modified enhanced community quarantine (MECQ) until May 31, 2020 and to general community quarantine (GCQ) for NCR until the first part of the third quarter. On August 4, 2020, NCR was placed back to a stricter MECQ after an appeal made by medical societies due to rising COVID-19 cases. On August 19, 2020, NCR was transitioned back to GCQ after the recommendation of the local authorities. On August 19, 2020, NCR was transitioned back to GCQ after the recommendation of the local authorities. On March 29, 2021, NCR was placed back to ECQ effective until April 11, 2021. The ECQ shifted to MECQ from April 12, 2021 until May 14, 2021. On May 15, 2021, NCR was transitioned back to GCQ until August 5, 2021. On August 6, 2021, NCR was placed back to ECQ until August 20, 2021. The ECQ shifted to MECQ from August 20, 2020 until September 15, 2021. On September 16, 2021, pilot implementation of the new alert system was placed on NCR. NCR was placed under alert level 4 until October 15,

2021. The alert level 4 shifted from alert level 3 from October 16, 2021 to November 4, 2021. On November 5, 2021, NCR was placed under alert level 2 to January 4, 2022. On January 5, 2022, NCR was placed under alert level 3 until January 31, 2022. On February 1, 2022, NCR was placed under alert level 2 until February 22, 2022.

The COVID-19 pandemic has caused disruptions in the Company's business activities. As this global problem evolves, the Company will continually adapt and adjust its business model according to the prevailing environment, in full cooperation with the national and local government units.

The coronavirus pandemic has negatively affected, and is expected to continue to negatively affect, the Company's operations. The Company has experienced and expect to continue to experience reductions in demand for some of its services; particularly diagnostics services since most patients are worried that they may catch the virus and are staying away from hospitals. While the impact of COVID-19 may have a negative effect on the Company's Revenue and Cost of Operation, the Company is unable to reasonably estimate the extent or nature of its impact at this time.

Other Matters

There were no material events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There were no material off-balance sheet transactions, arrangement, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons, created during the reporting period.

There were no material commitments for capital expenditures.

Apart from the impact of COVID-19 pandemic, as discussed above, there were no material known trends, events or uncertainties which have material impact on the Company sales.

There were no material causes for any changes in the Financial Statements from December 31, 2020 to December 31, 2021.

There were no significant elements of income or loss that the Company is aware of, either arising from the Hospital's continuing operations or otherwise.

Historical and Current Developments

After months of negotiations with: (i) a syndicate of creditors on the restructuring of the Company's loans, and (ii) a prospective investor, Bumrungrad Hospital Public Company Ltd. ("BHI"), together with a local group of investors, on the fresh equity infusion in the Company, the first quarter of 2005 saw many changes to the Company's corporate structure.

On February 7, 2005, the SEC approved the amendment of the Articles of Incorporation of AHI in respect of the decrease in AHI's capital stock from 2,000,000,000 shares with a par value of PHP1.00 per share to PHP573.7 million, consisting of 573,738,133 shares with a par value of PHP1.00 per share, and the subsequent increase to PHP2.0 billion, consisting of 2,000,000,000 shares with a par value of PHP1.00 per share.

On February 24, 2005, AHI's restructuring agreements with the syndicate of local banks and the International Finance Corporation ("IFC") were signed. General terms of the restructuring of the local loans included the following:

- All outstanding principal amounts of the loans plus a portion of the capitalized overdue and accrued interest were restructured into 2 loan tranches, consisting of PHP1.4 billion in Tranche A Loans and PHP215.4 million in Tranche B Loans, after an upfront payment of PHP100 million.

- All accrued interest and all default penalty charges due on the existing loans up to the restructuring were waived.
- Term of 12 years, inclusive of a 4-year grace period on principal repayments.
- Effective interest rate of 15.1% and 15.5% for Tranche A and Tranche B loans respectively, starting at 9% for the first 3 years, 11.5% on the 4th to 6th years, 12% on the 7th to 9th years and 13.45% on the last 3 years. For Tranche B loan, a fixed interest rate of 5% p.a.
- Principal repayments are tiered up starting at 1.25% of principal for the first 4 payments; 2.5% for the succeeding 4 payments; 5.5% for the next 4 payments; 7.5% for the succeeding 4 payments and a balloon payment of 33%.

The IFC carried similar terms and conditions for its two tranches, a Senior Loan of USD2.8 million after the application of a prepayment of USD1.2 million and a Subordinated Loan in the amount of USD1 million. The Senior Loan carries a rate of LIBOR plus 2.5% spread, while the rate for the Subordinated Loan is LIBOR and an income participation ranging from 1% to 2% of EBITDA for each year from 2003 to 2016.

The restructured loans are secured by a Mortgage Participation Certificate (MPC) under the Mortgage Trust Indenture (MTI) and Equipment MTI, which cover all of AHI's land, building improvements (through its former subsidiary) and equipment and machinery.

On March 10, 2010, AHI availed of the remaining undisbursed amounts from IFC and Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), amounting to PHP252.0 million and PHP119.0 million, respectively.

The construction period of AHI's Phase 1 Expansion continued until the 3rd quarter 2009 during which the new upper ground connector opened to the public in early August. The patio, which houses AHI's conference facility, opened in early September 2009. The 4th floor outpatient facility opened its doors to clients and patients in October 2009.

The outpatient facility houses the Lifestyle Medicine Center, a unique center that is focusing on the maintenance of people's health in a pro-active way.

The acquisition of some state-of-the-art equipment during the year 2009 such as a 64-slice CT scanner, a Lithotripsy and fully integrated Minimally Invasive Operating Room, the first of its kind in the Philippines, allowed surgical procedures to be performed with minimal trauma to a patient. Technology upgrades continued in 2010 with the installation of the new Catheterization Laboratory that will allow more extensive diagnostic and directly invasive procedures. These investments were made for the continued growth of the Hospital.

The construction of the new Hospital tower started in January 2010. With the increasing census in 2011, AHI Management equipped the 11th floor nursing ward to increase bed capacity by 24 beds. The expanded facility opened in August 2012.

Effective July 1, 2011, AHI revised the estimated useful life of certain property and equipment from 15 years to 5 years resulting in an increase in depreciation totaling PHP 328 million, of which PHP246.1 million incurred in the year 2011.

On December 6, 2011, the controlling interest in the Company was purchased by Metro Pacific Investment Corporation ("MPIC") from Bumrungrad International Limited ("BIL") and another person. Correspondingly, the Company's ultimate parent as of December 31, 2011 is now MPIC. Prior to December 6, 2011, the parent company was BIL.

On April 19, 2012, a mandatory tender offer for the 43.50% stake held by the Company's non-controlling investors launched by MPIC was completed. MPHHI, a wholly-owned subsidiary of MPIC, and a non-controlling investor of AHI, exercised its right of first refusal and purchased an additional 27.98% stake in the Company from other non-controlling investors. This resulted to an increase in MPHHI's beneficial and/or legal ownership in AHI to 52.41% for 2012. Effectively, the Company's immediate parent as of December 31, 2012 is MPHHI while the Company's ultimate parent is MPIC, being the stockholder owning one hundred percent (100%) of the outstanding capital stock of both MPHHI and BIPI.

AHI acquired the brain lab machine for the image-guided surgery in July 2012.

On September 2013, the Hospital opened its breast center facility. The center is the first and the biggest integrated facility that offers a one-stop shop for breast care using the latest technology and medical expertise. The breast center facility is located at the 4th floor of the new Hospital tower.

On October 2013, AHI opened the Chemo Infusion Unit and Upper Ground Floor of Tower 2, which expanded its outpatient services facility.

On December 9, 2013, AHI received its first Gold Seal of Approval from the Joint Commission International (JCI) – a United States-based international accreditation body which aims to help health care organizations globally deliver the highest quality of patient care services. JCI sets strict standards that ensure patient safety and improve organizational management, facility management and safety, and quality of care.

On May 20, 2014, MPHHI acquired from MPIC additional shares in AHI which resulted to an increase in MPHHI's ownership in AHI to 58.1% as of December 31, 2014. In addition, MPHHI also acquired 100% of the outstanding capital stock of Bumrungrad International Philippines, Inc. (BIPI) on July 1, 2014. BIPI has 27.5% legal and beneficial ownership in AHI. As of December 31, 2014 MPHHI effectively owns 85.56% of AHI.

On July 1, 2014, MPHHI, together with AHI, MPIC, BIPI and AHI's creditors executed an Amendatory Agreement to the SRA amending certain provisions of the SRA to allow the transfer of ownership of 100% of the outstanding capital stock of BIPI from MPIC to MPHHI and reducing MPIC's ownership requirement of MPHHI.

AHI Management equipped the 10th and 9th floor nursing wards of the new Hospital tower in April and October 2014 respectively, to increase bed capacity by 60 beds.

On July 23, 2015, the Company launched the Asian Cancer Institute (ACI), the very first cancer facility in the country that fully integrates the most appropriate care each patient requires to conquer cancer. ACI is equipped with newer and advanced TomoTherapy HDA-H Series machine, a top-of-the line equipment which can deliver a very accurate radiotherapy treatment for cancer.

AHI gained its second JCI accreditation on September 2016, in AHI's pursuit to persistently strive and achieve quality medical service for the patients and the communities it serves.

AHI opened the Emmanuel Center on February 13, 2017. It is an innovative, multidisciplinary, patient-centered ambulatory care facility that provides screening, diagnosis, and surgical care for cancer patients.

AHI expanded its Hemodialysis and Endoscopy units in February 2017.

On February 24, 2017, AHI opened the Chrys Specialty Pharmacy. Chrys Specialty Pharmacy is an outpatient pharmacy that serves the special needs of patients with complex disease conditions like cancer and other chronic ailments. It provides a wide range of High Quality anticancer drugs and prescription drugs related to cancer treatment at very reasonable prices.

On April 10, 2017, Asian Hospital Outpatient Pharmacy started its operations.

On June 2017, AHI opened its Neuro ICU to patients. AHI was also re-accredited by the Department of Health as Mother Baby Friendly Hospital. AHI was initially accredited in June 2014.

AHI completed its loan payment to IFC and DEG in November and September 2017, respectively.

Asian Cardiovascular Institute was launched in January 2018.

Asian Ambulatory Care Facility was launched in September 2018.

Asian Brain Institute and Asian Senior Wellness Institute were launched in August 2019.

AHI has gained its third JCI re-accreditation in September 2019.

In May 2020, AHI launched its "eConsults" and Online Appointments facilities. "eConsults" is an online platform where patients can communicate and consult their health concerns with AHI doctors at the comforts of their homes, for their convenience and protection, during and after community quarantine. Online Appointments, is similar to the eConsults where patients can book their appointments before arriving at the Hospital. On the same period, due to the rising cases of COVID, AHI applied to be an accredited COVID-19 Testing Center and achieved its level five molecular laboratory testing center classification, enabling AHI to independently conduct reverse transcription-polymerase (RT-PCR) testing.

In July 2020, AHI offered an "E-Prescription" program enabling senior citizens and PWDs to purchase their medication refills up to maximum of three-month supply.

In December 2020, AHI was recognized by the Philippine Nursing Research Society, Inc. (PNRSI) as a "Nursing Research Cell" which aims to strengthen professional nursing practice and management standards towards high quality patient care through research and quality improvement initiatives.

In March 2021, AHI opened its Emergency Room (ER) Annex Hot Zone Temporary Facility to provide suspected COVID-19 infected patients and persons under investigation (PUIs) with a dedicated ER.

In April 2021, AHI's Pathology and Laboratory Services announced the availability of online laboratory results via the AHMC portal.

Except for those disclosed above, there are no other known trends, events or uncertainties that will have a material impact on AHI liquidity or have a material impact on revenue. AHI relies on the balance of the equity infusion and cash flows from operations as sources of its liquidity. Neither are there seasonal aspects, causes for any material changes from period to period or material off-balance sheet transactions, arrangements, obligations that may have material impact on AHI's financial conditions or results of operations. AHI does not have any plan for product research and development over the next twelve (12) months.

Additional Notes to Financial Statements

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI). The financial statements are presented in Philippine Peso (Peso), which is the Company's functional and presentation currency, and all values are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance

The financial statements of the Company are prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the Philippine Interpretations Committee and International Financial Reporting Interpretations Committee

(IFRIC) which have been approved by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the Philippine SEC.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Company.

- *Amendment to PFRS 16, COVID-19-related Rent Concessions beyond 30 June 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
 - The rent concession is a direct consequence of COVID-19;
 - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
 - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
 - There is no substantive change to other terms and conditions of the lease.
- *Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, Interest Rate Benchmark Reform – Phase 2*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
 - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
 - Relief from discontinuing hedging relationships
 - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

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 its 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, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Property plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Key Performance Indicators

Hospital Census

The number of average daily inpatient census as of December 2021 decreased to 104 from the average of 126 in 2020, while outpatient census increased to an average of 459 per day as of December 2021 from 363 over the same period last year. The hospital's total revenue from services to patients for 2021 went up by 14.5% or Php0.4 million.

	Year 2021	Year 2020
Average Daily Inpatients	104	126
Average Daily Outpatients	459	333

HMO Accreditation

AHI has been monitoring the utilization and revenue contribution of each HMO. In 2007, AHI started a project to improve and align processes with numerous HMOs in order to reduce the collection period for outstanding invoices. As of the end of 2021 and 2020, the Company has 23 accredited HMOs.

Patients Receivables Management

AHI's existing policy in providing allowance for doubtful accounts is based on net revenues adjusted by the result of aging analysis. The Company adopted PFRS 9 – Expected Credit Loss (ECL) as mandated, beginning January 1, 2018, in calculating the required allowance for bad debts. AHI decided to use the simplified provision matrix in estimating the ECL for its collective assessment of impairment of receivables. The Company has identified different macroeconomic factors for each segment of its receivable to comply with the requirements of PFRS 9 to incorporate forward-looking information.

Comparable figures as of December 31, 2021 and 2020 are as follows:

	Year 2021	Year 2020
Percentage of Allowance for ECL over Accounts Receivable	50.9%	40.6%
Days' Revenues in Receivables*	58	44

* calculated by dividing average Accounts Receivable - Trade as of balance sheet date by the accumulated average daily revenues

AHI continues to adhere to the top-up payment and collection policy for all admissions including elective surgery as well as scheduled and emergency admissions. A pre-admission payment is required upon admission and regular top-ups are actively pursued as hospital bills accumulate. AHI's Accounts Receivable Section has been closely monitoring the progress of patient receivables and has been meeting regularly for this purpose.

The collection of long outstanding accounts receivables has been outsourced to a collecting agent who officially communicates with patients who have outstanding payables to AHI. This agency has been instructed to legally pursue some of the receivables from patients who have refused to react to payment notices issued by the Hospital.

Inventory Management

On a regular basis, the Supply Chain Management Department reviews the reorder quantity and lead-time to ensure that inventory is kept at the optimum level. The levels of inventories for medical supplies and for the inpatient pharmacy - including critical lifesaving medicines that were added to the formulary - were adjusted in response to the patient volumes.

As an indicator, the Hospital has set days' sales in inventory to 60 days. Comparable figures as of December 31, 2021 and 2020 are as follows:

	Year 2021	Year 2020
Days' Sales in Inventory*	87	75

* calculated by dividing the average ending inventory by the average cost of sales per day

Rationalization of Manpower Level

The decrease in headcount is mainly due to resignation, unfilled positions and redundancy program in 2021. The Management of the Hospital continues to monitor the manpower allocation consistent with the workloads and service requirements of each department to ensure quality service delivery at all times. AHI continue to outsource some of its noncritical staffing requirements (security, janitorial, laundry and building maintenance and engineering services).

Following is the comparative manpower levels of the Hospital as of December 31, 2021 and 2020:

	Year 2021	Year 2020
Regular*	1,201	1,377
Probationary*	152	93
Total	1,353	1,470

* Actual headcount

Item 7. Financial Statements

The audited financial statements of AHI as of and for the year ended December 31, 2021 are attached hereto.

Item 8. Independent Public Accountants

- a. SyCip, Gorres, Velayo & Co. (SGV) is the current independent auditor of AHI. SGV has been the independent auditor of AHI since 1998. The partner-in-charge of the audit for the past fiscal years, including the year ended 2003, was Mr. Gemilo San Pedro. The partner-in-charge of the audit for the years ended 2004 until 2008 was Mr. Aldrin Cerrado. The signing partner of SGV is Ms. Aileen Saringan from 2014 to 2017 and Ms. Julie Christine Mateo for 2009 to 2013 and for 2018 to 2021.

While AHI has the same independent public auditor since 1998, strict rotation of engagement partner every five years is nonetheless observed.

There have been no disagreements between SGV and AHI on any matter of accounting principle policy, or regarding AHI's financial statements or disclosures.

b. External Audit Fees

(i) Audit and Audit-Related Fees

SGV billed AHI the amount of Php1.6 million for 2021 and 2020 as fees for the examination of the financial statements of AHI and related out-of-pocket expenses.

(ii) Tax Fees and Other Fees

The company engaged the tax services of SGV to secure a BIR ruling to change the estimated useful lives of its assets in 2011; and for transfer pricing documentation in 2020. There are no other tax engagements done by SGV for 2021.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

The following are the directors of AHI for the period 2021 to 2022, to serve as such until their successors shall have been duly elected and qualified:

Name of Director	Date of Birth	Citizenship	Date of First Election to the Board
Fernandino Jose A. Fontanilla (Independent Director)	December 30, 1964	Filipino	July 25, 2006
Manuel V. Pangilinan	July 14, 1946	Filipino	December 6, 2011
Augusto P. Palisoc Jr.	January 6, 1958	Filipino	December 6, 2011
Andres M. Licaros Jr.	October 15, 1958	Filipino	December 6, 2011
Carmelita I. Quebengco (Independent Director)	September 30, 1947	Filipino	March 21, 2012
Ricardo V. Buencamino	September 18, 1944	Filipino	February 27, 2013
Jose Noel C. de la Paz	April 12, 1956	Filipino	April 30, 2015
Sol Z. Alvarez	June 23, 1932	Filipino	August 7, 2015
Retired Chief Justice Artemio Panganiban (Independent Director)	December 7, 1936	Filipino	March 3, 2017
Reymundo S. Cochangco	March 15, 1967	Filipino	September 15, 2020

Celso Bernard G. Lopez	April 16, 1973	Filipino	September 15, 2020
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FERNANDINO JOSE A. FONTANILLA is a medical doctor by profession and one of AHI's credentialed Ophthalmologists since 2002. He is also actively practicing as an ophthalmologist in The Medical City where he serves as the Head of the Uveitis Section of the Department of Ophthalmology. He has been the Dean of the San Beda University – College of Medicine since 2013. Dr. Fontanilla was the former Treasurer and Member of the Board of Trustees of the Association of Philippine Medical Colleges. In September of 2018, he was sworn in as a member of the Continuing Professional Development (CPD) Council for Medicine of the Professional Regulations Commission. He is a founding partner of the Eye, Gland & Glucose Specialists, a medical professional partnership with branches in three (3) major hospitals in Metro Manila. He is currently the Vice President of Fabel Corporation and holds a directorship position in Lubel Corporation.

Dr. Fontanilla received his medical degree from the University of the Philippines - College of Medicine, and did his residency training in Ophthalmology at the Philippine General Hospital. He pursued further training in Ophthalmology by doing a Clinical Fellowship in Uveitis and Ocular Immunology at the University of Illinois - Deicke Eye Center in Chicago, U.S.A. Dr. Fontanilla holds a Master's degree in Business Administration in Health (Gold Medal Awardee) from the Ateneo Graduate School Business.

MANUEL V. PANGILINAN assumed chairmanship of the Board of Metro Pacific Investments Corporation in March 2006 and remain as such up to the present. Born in the Philippines in July 1946, Mr. Pangilinan graduated cum laude in 1966 from the Ateneo de Manila University in the Philippines, with a Bachelor of Arts degree in Economics. He received his MBA degree in 1968 from the Wharton School of Finance and Commerce at the University of Pennsylvania, where he was a Procter & Gamble Fellow. After graduating from Wharton, he worked in Manila for Philippine Investment Management Consultants Inc. (the PHINMA Group) and in Hong Kong with Bancom International Limited and American Express Bank, and thereafter with First Pacific Company Limited. Mr. Pangilinan founded First Pacific in 1981 and serves as its Managing Director and Chief Executive Officer. Within the First Pacific Group, he holds the position of President Commissioner of P.T. Indofood Sukses Makmur, the largest food company in Indonesia.

He is currently the Chairman of the Board of Trustees of the San Beda College. In August 2016, the Samahang Basketbol ng Pilipinas (SBP) – the National Sport Association for basketball – requested Mr. Pangilinan to be its Chairman Emeritus after serving as President since February 2007. Effective January 2009, Mr. Pangilinan assumed the position of Chairman of the Amateur Boxing Association of the Philippines (ABAP), a governing body of amateur boxers in the country. In October 2009, Mr. Pangilinan was appointed as Chairman of the Philippine Disaster Resiliency Foundation, Incorporated (PDRF), a non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate areas devastated by floods and other calamities. Mr. Pangilinan is Chairman of Philippine Business for Social Progress (PBSP), the largest private sector social action organization made up of the country's largest corporations. In June 2012, he was appointed as Co-Chairman of the US-Philippines Business Society (USPBS), a non-profit society which seeks to broaden the relationship between the U.S.A. and the Philippines in the areas of trade, investment, education, foreign and security policies and culture.

AUGUSTO P. PALISOC, JR. is the Chairman of the Board of Directors of AHI. He has been with the First Pacific Group of Companies for over 35 years. He is currently an Executive Director of MPIC and is the President & Chief Executive Officer and Director of Metro Pacific Hospital Holdings Inc., which is the group's holding company for all hospital and healthcare investments. Prior to joining MPIC, he was the Executive Vice President of Berli Jucker Public Company Limited (an affiliate of First Pacific Company Ltd.) in Thailand from 1998 to 2001. Mr. Palisoc served as President and CEO of Steniel Manufacturing Corporation in the Philippines from 1997 to 1998. He has held various positions within the First Pacific Group as Group Vice President for Corporate Development of First Pacific Company Limited in Hong Kong, and Group Managing Director of FP Marketing (Malaysia) Sdn. Bhd. in Malaysia. Before he joined First Pacific in 1983, he was Vice President of Monte Real Investors, Inc. in the

Philippines. Mr. Palisoc earned his Bachelor of Arts Degree, Major in Economics (with Honors) from De La Salle University, and his Master's in Business Management (MBM) Degree from the Asian Institute of Management. Mr. Palisoc was born in January 1958.

ANDRES M. LICAROS, JR. is a seasoned leader-manager having more than four decades of professional management experience across various industries namely; structural design and construction management, pharmaceuticals, commercial feeds and livestock, confectionery and healthcare. He is a licensed civil engineer, a perceptive and authentic leader and an inspiring mentor to every staff within his organization who is committed to pursue excellence and be the best that he/she can be.

Mr. Licaros has a massive leadership experience in two tertiary hospitals acquired and managed by the MPIC Hospital Group - Davao Doctors Hospital from 2008 to 2011, and Asian Hospital and Medical Center from 2012 to present - as the President and Chief Executive Officer.

Since joining AHI, Mr. Licaros has transformed the Hospital to becoming one of the most reliable providers of quality healthcare in the country. From increasing the Hospital's bed capacity to 311 beds in 2012, to successfully nailing its 1st Joint Commission International Accreditation in 2013, to the establishment of the Asian Cancer Institute in 2015, he has consistently delivered an outstanding business performance for AHI, while bringing the Hospital to be completely debt-free since 2017. All these milestones were reached by AHI because Mr. Licaros firmly believed that quality and safe patient care is every patient's right and not a privilege.

In his past professional experience, he also shared his expertise and passion in healthcare as the Director for Marketing and Sales in The Medical City from 2007 to 2008 and as the Vice President for Marketing Division in St. Luke's Medical Center-Quezon City from 2001 to 2005.

CARMELITA I. QUEBENGCO was selected as an independent director of AHI on March 21, 2012. An educator by profession, Dr. Quebengco obtained her bachelor and masteral degrees from the University of the Philippines, her doctorate degree from De La Salle University, and was conferred an honorary doctorate in educational leadership by St. Mary's University in Minnesota, U.S.A.. She holds the distinction of having been the only lay and woman President of De La Salle University, where she is currently Chancellor Emeritus and University Fellow. She is also a member of the Board of Trustees of several educational institutions and NGOs, including the Philippine Accrediting Association of Schools, Colleges and Universities, De La Salle Medical and Health Sciences Institute, University of San Carlos in Cebu City, St. Paul University in Manila, University of the Immaculate Conception in Davao City, Miriam College, University of St. La Salle in Bacolod, Friendly Care Foundation, De La Salle University – Yuchengco Center, De La Salle University Museum, Philippine Women's University and Arnold Janssen Foundation. She is also a Director at Large of the International Association of Lasalian Universities. She was conferred as second honorary doctorate in Educational Leadership and Management by St. Mary's College California.

RICARDO V. BUENCAMINO was the President and Chief Executive Officer of Clark Electric Distribution Corporation from January 28, 2015 to December 31, 2018. Mr. Buencamino served as Senior Executive Vice President and Head of Networks, Manila Electric Company's biggest technical organization before his retirement in 2014. He graduated from Mapua Institute of Technology with a Bachelor of Science degree in Electrical Engineering and is a licensed Professional Electrical Engineer. He holds a Master's Degree in Management from the Asian Institute of Management and completed the General Management of Electric Utilities Program at the International Management Development Center in Austin, Texas, U.S.A. He was awarded by the Institute of Integrated Electrical Engineers of the Philippines, Inc. (IIEE) as 2005 Most Outstanding Electrical Engineer – Corporate Management Category.

Mr. Buencamino is formerly a member of the board of directors of Meralco Industrial Engineering Services Corporation, Meralco Energy Inc., Miescor Logistics Inc., MRail Inc. and Clark Electric Distribution Corporation.

JOSE NOEL C. DE LA PAZ is MPHHI's Director for Corporate Development since the start of the company in 2014, the same position he had in MPIC from 2007 to 2014. He is responsible for MPHHI's mergers and

acquisitions initiatives, beginning with the identification of projects, evaluation, deal structuring, due diligence, negotiations and execution, to include post-acquisition participation in the boards. He deal-managed 10 and co-deal-managed 4 of the total 19 hospitals currently invested in by MPHHI, and is currently active as board member in 16. In addition, he chairs the boards of 6 cancer centers. Prior to his stint in MPIC/MPHHI, he has had over 25 years of commercial and investment banking experience from Rizal Commercial Banking Corporation, Bancom Development Corporation, Union Bank of the Philippines, First Chicago Leasing and Bankers Trust Company. He was the Philippine Deputy Country Head for New York-based Bankers Trust Company that originated and lead managed global bond offerings and bank loan syndications, and rendered financial advisory services for major project financings in the country. Mr. de la Paz graduated cum laude from the Ateneo de Manila University with a Bachelor of Arts Degree in Economics-Honors Program. He also earned his Master in Business Management degree from the Asian Institute of Management.

SOL Z. ALVAREZ was first elected as director of AHI on August 7, 2015. An educator by profession, Dr. Alvarez obtained his bachelor and doctorate degree and his residency in Internal Medicine from the University of Santo Tomas, residency in Cardiology from Philadelphia General Hospital, residency in gastroenterology from Cook County Hospital Chicago, Illinois and fellowship in Gastroenterology from Lahey Clinic, Boston, Massachusetts, U.S.A.. He served as the Chief of the Gastroenterology Section of AHI from 2000 to 2008 and the Chairman of AHI Credential Committee from 2004 to 2015. He was engaged as a professor of medicine at the University of Santo Tomas Faculty of Medicine and Surgery.

RETIRED CHIEF JUSTICE ARTEMIO V. PANGANIBAN obtained his Associate in Arts "With Highest Honors" and later his Bachelor of Laws with "Cum Laude" and "Most Outstanding Student" honors. He placed sixth in the 1960 bar examinations. A well-known campus leader, he founded and headed the National Union of Students of the Philippines. He is also the recipient of several honorary doctoral degrees.

In 1995, he was appointed Justice of the Supreme Court, and in 2005, Chief Justice of the Philippines. Aside from being a prodigious decision writer, he also authored eleven books while serving in the highest court of the land. His judicial philosophy is "Liberty and Prosperity Under the Rule of Law." He believes that the legal profession and the judiciary must not only safeguard the liberty of the people but must also nurture their prosperity and economic well-being. To him, justice and jobs, ethics and economics, democracy and development, nay, liberty and prosperity must always go together; one is useless without the other. On his retirement on 7 December 2006, his colleagues acclaimed him unanimously as the "Renaissance Jurist of the 21st Century."

Prior to entering public service, Chief Justice Panganiban was a prominent practicing lawyer, law professor, business entrepreneur, civic leader and Catholic lay worker. He was the only Filipino appointed by the late Pope John Paul II to be a member of the Vatican-based Pontifical Council for the Laity for the 1996-2001 term. At present, he is a much sought-after independent director and adviser of business firms, and writes a column in the Philippine Daily Inquirer.

REYMUNDO S. COCHANGCO is the Chief Financial Officer for MPHHI. He has over 20 years of experience in finance, treasury, controllership, audit and business operations and held various senior positions within the Metro Pacific and PLDT Groups such as CFO of Colinas Verdes Hospital Managers Corporation, Vice President for Corporate Development of Fort Bonifacio Development Corporation, CFO of SPI Technologies, Inc., President and CFO of Stradcom Corporation and Comptroller & Treasurer of Philippine Cocoa Corporation. He also worked at SGV & Co. He holds a Bachelor of Science degree in Business Administration from the Philippine School of Business Administration and is a Certified Public Accountant.

CELSO BERNARD G. LOPEZ is currently the Director of Special Projects for MPHHI, a position he has held since 2016. Mr. Lopez earned his Bachelor of Arts degree, major in Management Economics from Ateneo de Manila University, and his Executive Master's in Business Administration (EMBA) degree from the Asian Institute of Management (with Distinction). Mr. Lopez has been with the Metro Pacific Group since 2012. He was Bid Director of the group's successful bid for the Automatic Fare Collection System – Private Public Partnership Project of the Republic Philippines in 2013. He was then seconded to AF Payments Inc., a joint venture with the Ayala Group, from 2014 to 2015 as its Chief Operating Officer tasked with delivering the completion of the fare collection system

for the three light rail lines of Metro Manila. Prior to joining Metro Pacific, he was Executive Vice President of East West Banking Corporation, First Vice President of Security Bank Corporation, and Head of Asset Distribution of HSBC, all in the Philippines.

The following are the current officers of AHI for the period 2021 to 2022, to serve as such until their successors shall have been duly elected and qualified:

Name of Officer	Position	Date of Birth	Citizenship
Augusto P. Palisoc Jr.	Chairman	January 6, 1958	Filipino
Andres M. Licaros Jr.	President and Chief Executive Officer	October 15, 1958	Filipino
Reymundo S. Cochangco	Treasurer	March 15, 1967	Filipino
Robert D. Martinez	Chief Finance Officer	November 6, 1963	Filipino
Gilbert Raymund T. Reyes ¹	Corporate Secretary	April 16, 1958	Filipino
Marie Cecile Roque-Quintos	Assistant Corporate Secretary ²	November 23, 1966	Filipino
Sharon C. Hernandez	Chief Strategy Officer and Head of Strategic Support Group	November 27, 1975	Filipino
Dr. Jose M. Acuin	Chief Medical Officer	November 3, 1958	Filipino

AUGUSTO P. PALISOC JR. *(See business profile above)*

ANDRES M. LICAROS JR. *(See business profile above)*

REYMUNDO S. COCHANGCO *(See business profile above)*

ROBERT D. MARTINEZ is the incumbent Chief Finance Officer of AHI. He is a Certified Public Accountant and a Certified Financial Consultant. He graduated "Cum Laude" from the University of the East and was a member of the Accounting Honors' Program. Mr. Martinez started his career at Ernst & Young. Prior to joining AHI in April 2019, he has gained a vast and relevant working experience with several multinational companies, such as Philips, Pepsi Cola, Asea Brown Boveri, Alstom Power, Alcan Packaging, DB Schenker, DHL and Getz Bros. (i.e., to name a few) where he honed his Financial Skills as Analyst, Auditor, Controller and as a CFO starting with Pepsi Cola (San Fernando Plant).

GILBERT RAYMUND T. REYES is the incumbent Corporate Secretary of AHI. He is a Founding Partner of the Poblador Bautista and Reyes Law Offices. He is also the Corporate Secretary of Metro Global Holdings Corporation, CJH Development Corporation, CJH Hotel Corporation, and CJH Suites Corporation. He graduated with a degree in Bachelor of Science in Biology from the University of the Philippines in 1979. He also holds a Bachelor of Laws degree from the University of the Philippines - College of Law, graduated Magna Cum Laude in 1983.

MARIE CECILE ROQUE-QUINTOS is the incumbent Assistant Corporate Secretary of AHI. She is a Senior Partner at the Poblador Bautista and Reyes Law Offices. She obtained her Bachelor of Arts degree from the University of the Philippines in 1988, graduating cum laude and Best in Journalism. She received her Bachelor of Laws degree from the UP, ranking seventh in the Class of 1992 and was awarded the Dean's Medal for Academic Excellence. She is a Professorial Lecturer for Corporation Law and Succession at the University of the Philippines College of Law. Her areas of practice include corporations (specializing in organization, mergers and acquisitions,

¹ Appointed on 21 October 2021.

² Appointed on 21 October 2021.

reorganizations), and estate planning and settlement. In 2014, she was cited as a Recommended Individual (for Corporate Mergers/Acquisitions) by Asialaw Profiles. She has been recognized as a Leading Lawyer in the Financial and Corporate field by the IFLR1000.

SHARON C. HERNANDEZ is currently the Chief Strategy Officer and Head of the Strategic Support Group of AHI. She joined AHI in 2012 as Human Resources Director and was promoted in 2017 as Chief Strategy Officer. Ms. Hernandez acquired her Bachelor of Arts major in Economics and Master Degree in Business Administration from De La Salle University. She also gained her Diploma for Training and Development at College of St. Benilde - De La Salle University.

Ms. Hernandez also held the position of Vice President for HSBC and Assistant Vice President for Corporate Training and Organizational Development in AIG, Philamlife. She has more than 20 years of relevant work experiences in leading teams achieve their corporate goals, aligning strategic directions with operational tasks, managing people and organizational development, and partnering with business units in maximizing team strengths and better operational efficiencies. She has hands-on experience in designing, implementing, and recommending human capital management interventions, specifically in the areas of personal and employee engagement projects, organizational development activities, talent management, recruitment and workforce augmentation programs, office administration, etc. She have done such functions in corporate and consultancy capacities for leading local and multi-national companies, across many industries.

DR. JOSE M. ACUIN is the current Chief Medical Officer of AHI and has held such position since October 2017. He is also a Consultant in the Department of Ear, Nose and Throat – Head and Neck Surgery. He was the Chief Quality Officer since 2014, and the Joint Commission International (JCI) Survey Coordinator since 2013. He is also a Professor and Consultant in De La Salle University College of Medicine in Dasmariñas, Cavite since 1998. Dr. Acuin obtained his Doctor of Medicine degree from the University of the Philippines from 1978 to 1982 and finished his residency training from Philippine General Hospital in 1987. He had his M.S. Clinical Epidemiology from the University of the Philippines College of Medicine from 1992 to 1999. He also took the evidence-based Quality Improvement from Tohoku University, Sendai, Japan in 2001 and had his Masters in Business Administration (Health) from Ateneo Graduate School of Business from 2005 to 2008. He is also a fellow of the Philippine Society of Otolaryngology – Head and Neck Surgery.

Item 10. Executive Compensation

General

Except for executive officers included under the compensation table below, all other directors do not receive salaries.

SUMMARY COMPENSATION TABLE
Annual Compensation

	Year	Salary (in Php)	Bonus (in Php)	Other Annual Compensation (in Php)
Andres M. Licaros Jr., Chief Executive Officer Carlito B. Soliman, Chief Financial Officer Jose Acuin, Chief Medical Officer Sharon Hernandez, Chief Strategy Officer and Head of the Strategic Support Group	2018	20,440,000	7,635,000	1,757,045
All other officers		71,306,765	13,927,638	4,155,580
Andres M. Licaros Jr., Chief Executive Officer Carlito B. Soliman, Chief Financial Officer (resigned) Robert D. Martinez, Chief Financial Officer Jose Acuin, Chief Medical Officer Sharon Hernandez, Chief Strategy Officer and Head of the Strategic Support Group	2019	21,540,000	8,175,500	2,749,255
All other officers		74,644,234	16,897,715	4,333,128
Andres M. Licaros Jr., Chief Executive Officer Robert D. Martinez, Chief Finance Officer Jose Acuin, Chief Medical Officer Sharon Hernandez, Chief Strategy Officer and Head of the Strategic Support Group	2020	23,760,000	4,777,500	3,381,136
All other officers		78,799,047	7,509,577	4,881,269
Andres M. Licaros Jr., Chief Executive Officer Robert D. Martinez, Chief Finance Officer Jose Acuin, Chief Medical Officer Sharon Hernandez, Chief Strategy Officer and Head of the Strategic Support Group	2021	23,940,000	5,020,000	3,381,136
All other officers		76,608,324	11,897,386	3,866,886
Projected Andres M. Licaros Jr., Chief Executive Officer Robert D. Martinez, Chief Finance Officer Jose Acuin, Chief Medical Officer Sharon Hernandez, Chief Strategy Officer and Head of the Strategic Support Group	2022	25,137,000	5,271,000	3,550,193
All other officers		80,438,740	12,492,256	4,060,230

Compensation of Directors

Effective March 18, 2011, the Board approved the grant of per diem in the amount of Php10,000.00 to each independent director of AHI for every Board and Board committee meeting attended by such independent director.

Employment Contracts and Termination of Employment and Change in Control Arrangements

As of December 31, 2021, there are no employment contracts or compensatory plan or arrangements between AHI and any of its executive officers except as stated above under the Summary Compensation Table (Annual Compensation).

Warrants and Options Outstanding

As of December 31, 2021, there are no warrants and/or options outstanding.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Voting Securities and Principal Holders Thereof

(a) The total number of shares issued and outstanding as of December 31, 2021 is 1,936,728,391 shares. All these shares are common shares, with each share entitled to one vote in accordance with the Amended By-Laws of AHI. In respect of the Annual Meeting, all of the issued and outstanding shares have voting rights, with the exception of delinquent 4,949,956 shares. Under Section 70 of the Corporation Code, no delinquent stock shall be voted for or be entitled to vote or to representation at any stockholders' meeting, nor shall the holder thereof be entitled to any of the rights of a stockholder except the right to dividends in accordance with the provisions of the Corporation Code.

(b) The record date for purposes of determining the stockholders entitled to vote during the April 30, 2021 Annual Meeting was April 09, 2021 (the "Record Date"). Stockholders were entitled to cumulative voting in the election of the members of the Board as provided for in the Revised Corporation Code.

(c) Under Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of AHI multiplied by the whole number of directors to be elected: provided, however, that no delinquent stock shall be voted.

There is no condition precedent to the exercise of the stockholders' cumulative voting right.

Security Ownership of Certain Record and Beneficial Owners

The names, addresses, number of shares held, and percentage to total of persons (including any group) that own more than 5% of the outstanding voting shares of AHI (all common) as of December 31, 2021, are as follows:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner	Citizenship	No. of Shares ³	Percentage of Class
Common	Metro Pacific Hospital Holdings, Inc. (formerly Neptune Stroika Holdings, Inc.) ("MPHHI") ⁴ 10 th Floor MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City Stockholder	MPHHI	Filipino	1,016,151,999 (R & B)	52.47
Common	AHI Hospital Holdings Corporation (formerly, Bumrungrad International Phils., Inc.) ("AHHC") 10F Net One Center, 26 th cor. 3 rd Avenues, Bonifacio Global City, Taguig, Metro Manila Stockholder	AHHC	Filipino	532,582,396 (R & B)	27.50
Common	Metro Pacific Investments Corporation ("MPIC") ⁵ 10th Floor MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City Stockholder	MPIC	Filipino	109,278,743 (R&B)	5.64

Except as stated above, the Board and Management of AHI have no knowledge of any person who, as of the Record Date, was directly or indirectly the beneficial owner of more than 5% of AHI's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than 5% of AHI's outstanding common stock.

Security Ownership of Management as of December 31, 2021

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Augusto P. Palisoc Jr. Chairman	1 -- Direct	Filipino	Nil
Common	Andres M. Licaros Jr. President & CEO/ Director	1 -- Direct	Filipino	Nil

³ Nature of ownership is indicated as (R) for record owner and (B) for beneficial owners.

⁴ The voting of the shares owned by MPHHI will be directed by such person as may be duly authorized by the Board of Directors of MPHHI and as may be named in the proxy letter that will be submitted by MPHHI to AHI's Corporate Secretary in accordance with AHI's Amended By-laws. MetroPac Apollo Holding, Inc. owns 56.25% of the outstanding capital stock of MPHHI. MPHHI's proxy is Mr. Augusto P. Palisoc Jr., or in his absence, the Chairman of the Annual Meeting.

⁵ On May 20, 2014, MPIC executed a Deed of Assignment transferring all of its beneficially and directly-owned shares of stock in AHI to MPHHI. The application for issuance of the Certificate Authorizing Registration ("CAR") is currently being processed with the Bureau of Internal Revenue. MPIC has also executed an irrevocable proxy in favor of MPHHI authorizing MPHHI to exercise and enjoy all rights arising from the AHI shares sold pending the transfer of legal title over the shares to MPHHI. MPHHI's proxy with respect to these shares of stock is Mr. Jose Ma. K. Lim or in his absence, Mr. Augusto P. Palisoc Jr., or in their absence, the Chairman of the Annual Meeting.

Common	Manuel V. Pangilinan Director	1	-- Direct	Filipino	Nil
Common	Reymundo S. Cochangco Director	1	-- Direct	Filipino	Nil
Common	Celso Bernard G. Lopez Director	1	-- Direct	Filipino	Nil
Common	Jose Noel C. de la Paz Director	1	-- Direct	Filipino	Nil
Common	Sol Z. Alvarez Director	295,754	-- Direct	Filipino	0.02%
Common	Ricardo V. Buencamino Director	1	-- Direct	Filipino	Nil
Common	Fernandino Jose A. Fontanilla Independent Director	442,478	--Direct & --Indirect	Filipino	0.02%
Common	Carmelita I. Quebengco Independent Director	1	-- Direct	Filipino	Nil
Common	Retired Chief Justice Artemio Panganiban Independent Director	1	-- Direct	Filipino	Nil
TOTAL		738,241			0.04%

Voting Trust Holders of 5% or More

Under the Voting Agreement dated February 18, 2005, MPHHI, Dr. Jorge M. Garcia and AHHC agreed to vote together as one block with respect to various stockholder matters, including the renewal of the Management and Consultancy Services Agreement between AHI and AHHC dated December 8, 1997, as amended on February 17, 2005 ("Management Agreement"), election of Directors of AHI and the amendment of AHI's Articles of Incorporation. For this purpose, each of MPHHI, Dr. Jorge M. Garcia and AHHC have agreed to execute irrevocable proxies. The Voting Agreement refers to the outstanding common shares of stock in AHI of each of MPHHI, Dr. Jorge M. Garcia and AHHC. The Voting Agreement is effective until terminated by mutual agreement of the parties or upon expiration of the Management Agreement (as the same may be renewed from time to time), whichever is earlier.

Changes in Control

There is no arrangement which may result in a change of control of AHI since the last fiscal year.

Item 12. Certain Relationships and Related Party Transactions

AHI executed a Consultancy Services Agreement with BIL effective January 1, 2008, under the terms of which BIL will make available to AHI information, materials and other consultancy services relating to health care service operations, including cost, budget, and wage and salary administration, business and information systems, and supervision and administration of ancillary medical services.

AHI executed a Services Agreement with Bumrungrad International Holdings Pte Ltd. (BIHPL), an affiliate of BIL, effective January 1, 2008, under the terms of which BIHPL will provide material management support, quality assurance and certain training services relating to the hospital business.

On November 4, 2011, MPIC and BIL executed a Sales and Purchase Agreement (SPA) where the former purchased the latter's 100% share in the ownership of the Company, resulting to the transfer of controlling equity interest in AHI to MPIC.

In connection with the SPA, MPIC, BIL and BIHPL entered into an Assignment and Accession Agreement on December 6, 2011, wherein BIL and BIHPL transferred to MPIC all of their rights and obligations under the Consultancy Services Agreement and Service Agreement, respectively.

BIHPL and BIL assigned all of their rights and obligations under the Consultancy Services Agreement and Services Agreement to MPIC pursuant to separate Assignment and Accession Agreements both executed on December 6, 2011. On July 1, 2014, MPIC assigned all of its rights and obligations under the Consultancy Services Agreement and Service Agreement to MPHHL.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

AHI fully subscribes to the practice of corporate governance. It is making every attempt to monitor and comply with the Corporate Governance Manual ("Manual") submitted to the SEC under Memorandum Circular No. 2 dated April 5, 2002 and all related circulars issued.

In compliance with Section 6 (Monitoring and Assessment) of its Manual, the Manual was reviewed and revised. The revisions to the Manual were approved by the Board at its September 6, 2005 meeting, and incorporated in AHI's Amended By-Laws.

AHI's Code of Ethics was also put in place for all its employees to observe. Members of the Board attended a seminar on corporate governance on October 21, 2005 conducted by the Philippine Institute of Certified Public Accountants (PICPA) to better understand and support corporate governance.

AHI continues to monitor and significantly comply with the good governance practices and principles outlined in the SEC Corporate Governance Self-Rating Form (CG-SRF). In numerous areas, AHI continues to improve with its cooperation with various committees of the AHI.

During the January 25, 2008 meeting, the Board authorized the amendment of AHI's Manual to require the directors to attend a seminar on corporate governance to be conducted by a duly recognized private or government institute before assuming office as such in compliance with the directive of the SEC.

At the June 24, 2010 meeting, the Board approved the amendment of AHI's Manual to incorporate the duties and responsibilities of the Chairman, Vice-Chairman, Chief Executive Officer, President, Treasurer and Chief Financial Officer.

On February 22, 2011, AHI submitted to the SEC its Revised Manual on Corporate Governance incorporating therein the mandatory provisions of the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009).

Other than the provisions of the Revised Manual that were revised, there has been no deviation from the Revised Manual. Neither has there been any director or executive officer of AHI who has violated any provision of the Revised Manual.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

1. Statement of Management's Responsibility for Financial Statements
2. Certification of Audit Committee on the Financial Statements
3. Audited Financial Statements for the years ended December 31, 2021 and 2020
4. Supplementary Schedules Required by Annex 68-J

Schedule A – Financial Assets

Schedule B – Amounts Receivable from Directors, Officers, Related Parties and Principal Stockholders (Other than Related Parties)

Schedule C – Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Schedule D – Intangible Assets – Other Assets

Schedule E – Long Term Debt

Schedule F – Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Schedule G – Guarantees of Securities of Other Issuers

Schedule H – Capital Stock

5. Schedule of Financial Soundness Indicators Required by Annex 68-E

(b) Reports on SEC Form 17-C

AHI has made three (3) reports to the SEC under SEC Form 17-C for the period from January 1, 2021 to December 31, 2021.

1. 19 January 2021

The Corporate Secretary submitted record of attendance of directors in board meetings for 2020, as follows:

Director	Dates of Board Meetings						
	8 January 2020	18 February 2020	30 March 2020	16 July 2020	15 September 2020 (Organizational)	15 September 2020 (Special)	25 November 2020
Augusto P. Palisoc Jr.	Present	Present	Present	Present	Present	Present	Present
Manuel V. Pangilinan	Present	Absent	Present	Present	Present	Absent	Present
Jose Ma. K. Lim	Present	Present	Present	Present	Present	Present	Present
Andres M. Licaros, Jr.	Present	Present	Present	Present	Present	Present	Present
David J. Nicol	Present	Absent	Present	Present	Present	Absent	Present
Artemio V. Panginiban	Present	Present	Present	Present	Present	Present	Present
Fernandino Jose A. Fontanilla	Present	Present	Present	Present	Present	Present	Present

Carmelita I. Quebengco	Present	Present	Present	Present	Present	Present	Present
Ricardo V. Buencamino	Present	Present	Present	Present	Present	Present	Present
Sol Z. Alvarez	Present	Present	Present	Present	Present	Present	Present
Jose Noel C. de la Paz	Present	Present	Present	Present	Present	Present	Present

2. 4 February 2021

On February 03, 2021, the Board of Directors approved the holding of the Annual General Meeting ("AGM") of the Stockholders of AHI on 30 April 2021, 10:30 a.m., and the setting of the record date for said AGM on 9 April 2021.

3. 7 May 2021

The following were elected as directors of AHI:

- a. Mr. Manuel V. Pangilinan
- b. Mr. Augusto P. Palisoc Jr.
- c. Mr. Andres M. Licaros Jr.
- d. Mr. Jose Noel C. de la Paz
- e. Mr. Ricardo V. Buencamino
- f. Dr. Sol Z. Alvarez
- g. Mr. Reymundo S. Cochangco
- h. Mr. Celso Bernard G. Lopez
- i. Dr. Fernandino Jose A. Fontanilla (independent director)
- j. Dr. Carmelita I. Quebengco (independent director)
- k. Former Chief Justice Artemio V. Panganiban (independent director)

Sycip Gorres Velayo & Co. (SGV & Co.) was appointed as AHI's external auditor for the year 2021 -2022.

Asian Hospital, Inc.
Supplementary Schedules
December 31, 2021

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Filinvest Alabang, Inc.-Palms Country Club	1,300,000	1,300,000	1,300,000	None
Alabang Country Club, Inc.	7,168,000	7,168,000	7,168,000	None
	<u>8,468,000</u>	<u>8,468,000</u>	<u>8,468,000</u>	

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Philippine Long Distance Telephone	12,289,317	32,044,082	(39,442,463)	-	4,890,937	-	4,890,937
Smart Communications Inc.	395,840	1,003,615	(933,261)	-	465,994	-	465,994
Metropac Water Investment Corp.	-	50,000	(1,872)	-	48,128	-	48,128
MPIC	-	386,433	(364,302)	-	22,131	-	22,131
Total	12,684,957	33,484,130	(40,741,897)	-	5,427,190	-	5,427,190

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
None							

Schedule D. Intangible Assets - Other Assets

Description	Beginning balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Software and Licenses	8,868,002	10,532,829	(7,402,284)	-	-	11,998,547

Schedule E. Long Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
None			

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Payables		
MPHI	15,826,449	12,165,062
Philippine Long Distance Telephone	471,300	414,351
Meralco PowerGen Corporation	1,525,937	8,291,925
Smart Communications, Inc.	218,996	93,181
Medi Linx Laboratory Inc.	6,005,275	1,318,854
Maynilad Water Services Inc.	-	1,020
Our Lady of Lourdes Hospital	-	28,286
	<u>24,047,957</u>	<u>22,312,679</u>

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
None				

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by related parties	Directors, officers and employees	Others
Common Stock	2,000,000,000	1,936,728,391	None	1,659,342,878	738,242	276,647,271

Asian Hospital, Inc.
Financial Soundness Indicators
December 31, 2021

<i>Performance Indicators</i>	<i>Formula for Calculation</i>	<i>Dec 31, 2021</i>	<i>Dec 31, 2020</i>
Current ratio	Current assets over current liabilities	1.67	1.29
Acid test ratio	Quick assets* over current liabilities	1.34	0.95
Solvency ratio	EBITDA over total liabilities	0.98	0.70
Debt to equity ratio	Total liabilities over total equity	0.17	0.18
Asset to equity ratio	Total assets over total equity	1.17	1.18
Interest rate coverage ratio	EBIT** over total interest expense	477.53	63.13
Return on equity	Net income after tax over total equity	0.07	0.02
Return on assets	Net income over total assets	0.06	0.02
Net profit margin	Net income over gross revenue	0.08	0.03
EBITDA*** margin	EBITDA over gross revenue	0.20	0.15
EBITDA*** per share	EBITDA over weighted average number of shares	0.41	0.29

* Quick assets - Cash plus receivables

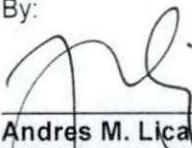
**EBIT - Earnings before Interest and Tax

***EBITDA - Earnings before Interest, Tax, Depreciation and Amortization

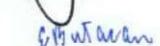
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, duly authorized.

By:



Andres M. Licaros, Jr.
Chief Executive Officer
(Principal Executive Officer)



Elma E. Butacan
Senior Manager – Financial Planning
And Analysis
(Principal Accounting Officer)



Robert D. Martinez
Chief Finance Officer



Gilbert Raymund T. Reyes
Corporate Secretary

City of Manila

APR 12 2022

SUBSCRIBED AND SWORN to before me this ____ day of _____ affiants exhibiting to me their respective Evidence of Identity, as follows:

Names	Evidence of Identity	Date of Issue	Place of Issue
Andres M. Licaros, Jr.	DL D16-77-003729	October 27, 2018	Manila
Robert D. Martinez	DL N03-91-115192	November 21, 2017	Manila
Elma E. Butacan	SSS 03-8805652-7		Manila
Gilbert Raymund T. Reyes	VIN: 7404-4353A-D1658GTR10001-8		Manila

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Book No. XXVI
Series of 2022



ATTY. HENRY D. ADASA
NOTARY PUBLIC - CITY OF MANILA
NOTARIAL COMMISSION 2020-097 / 12/31/2021 Manila
IBP NO. 178598 01/03/2022, PASIG
PTR NO. 0060197 01/05/2021 MLA
ROLL NO. 29679, TIN: 172-528-620
Notary Public
MCLE COMPL. NO. VII-0090165 6/2021
URBAN DECA HOMES MANILA, B-2, UNIT 355, TONDO, MANILA
UNDER SUPREME COURT B.M. NO. 3795 EXTENDED FROM JAN. 1 TO JUNE 30, 2022

SIGNATURES

In compliance with the requirements of the Code of Corporate Governance, we, the members of the Audit Committee of the issuer, hereby certify that we have reviewed the foregoing report.

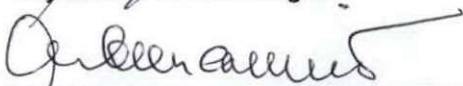
The Audit Committee:



Dr. Fernandino A. Fontanilla



Reymundo S. Cochangco



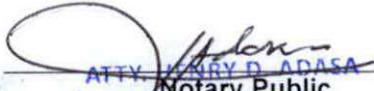
Ricardo V. Buencamino

APR 13 2022

SUBSCRIBED AND SWORN to before me this ____ day of _____ affiants exhibiting to me their respective Evidence of Identity, as follows:

Names	Evidence of Identity	Date of Issue	Place of Issue
Dr. Fernandino A. Fontanilla	PRC 0073779	Valid until December 30, 2024	Manila
Reymundo S. Cochangco	SSS 03-9235417-6		Manila
Ricardo V. Buencamino	PP P6096538A	February 20, 2018	Manila

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ATTY. MARY D. ADASA
NOTARY PUBLIC CITY OF MANILA
NOTARIAL COMMISSION 2020-097 / 12/31/2021 Manila
IBP NO. 178598 01/03/2022, PASIG
PTR NO. 0060197 01/05/2021 NALA
ROLL NO. 25679, TIN: 172-528-520
(33) MCLE COMPL. NO. VII-0000165 6/26/2019 VINE April 14, 2025
URBAN DECA HOMES MANILA, B-2, UNIT 355, TOROJO, MANILA
JUDGE SUPREME COURT B.J.M. NO. 3795 EXTENDED FROM JAN. 1 TO JUNE 30, 2027



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of Asian Hospital, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

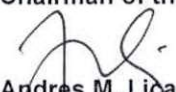
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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


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

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Augusto P. Palisoc, Jr.
Chairman of the Board


Andres M. Licaros, Jr.
Chief Executive Officer


Robert D. Martinez
Chief Finance Officer


Signed this 22nd day of February, 2022

FEB 24 2022

SUBSCRIBED AND SWORN to before me this ____ day of _____ affiants exhibiting to me their respective Evidence of Identity, as follows:

Names	Evidence of Identity	Date of Issue	Place of Issue
Augusto P. Palisoc, Jr.	PP P6294589A	March 7, 2018	Manila
Andres M. Licaros, Jr.	PP P6088913B	January 6, 2021	Manila
Robert D. Martinez	DL N03-91-115192	November 21, 2017	Manila

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Book No. XV11
Series of 2022


ATTY. HENRY D. ADASA
NOTARY PUBLIC, CITY OF MANILA
NOTARIAL COMMISSION 2020-097 / 12/31/2021 Manila
IBO NO. 178598 01/03/2022, PASIG
PTR NO. 0060197 01/03/2022, PASIG
ROLL NO. 29679, TIN: 172-528-620
MCLE COMPL. NO. VII-000165 6/26/2019 Valid April 14, 2025
URBAN DECA HOMES MANILA, B2, UNIT 45A, TONDOK, MANILA
UNDER SUPREME COURT BANG. REG. 3793 EXPIRES FROM APR. 14 TO APR. 30, 2022

Coro, Yvette

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Thursday, 14 April 2022 9:17 AM
To: prvs=010307b2f4=ycoro@asianhospital.com
Subject: Re: CGFD_Asian Hospital, Inc._SEC Form 17-A for 2021_14 April 2022 (Part 1)

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

<https://apps010.sec.gov.ph>

<https://apps011.sec.gov.ph>

For your information and guidance.

Thank you and keep safe.

Coro, Yvette

Coro, Yvette

Coro, Yvette

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Thursday, 14 April 2022 9:21 AM
To: prvs=010307b2f4=ycoro@asianhospital.com
Subject: Re: CGFD_Asian Hospital, Inc._SEC Form 17-A for 2021_14 April 2022 (Part 2)

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

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For your information and guidance.

Thank you and keep safe.