

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
ASIAN HOSPITAL, INC.**

Held on 2 May 2022
Via videoconference¹

PRESENT:

TOTAL NUMBER OF SHARES PRESENT OR REPRESENTED AT THE MEETING	1,727,036,005
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TOTAL NUMBER OF SHARES OUTSTANDING	1,936,728,391
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1. Introduction and Call to Order

The annual meeting commenced with an opening prayer, which was followed by the Philippine National Anthem.

Thereafter, the Chairman of the Board, Mr. Augusto P. Palisoc, Jr., called the meeting to order, introduced the members of the Board of Directors present at the meeting, and presided over the same.

The Corporate Secretary, Atty. Gilbert Raymund T. Reyes, recorded the minutes of the proceedings.

2. Certification of Notice of Meeting and Determination of Quorum

The Corporate Secretary certified that the stockholders of record were duly notified of the meeting. The Notice of Virtual Annual Stockholders' Meeting ("Notice") was published in the business section of The Philippines Star and Philippine Daily Inquirer, both in print and online format, on April 10 and 11, 2022, as required under SEC Notice dated February 16, 2022 on the *Alternative Mode for Distributing and Providing Copies of Notice of Meeting, Information Statement and Other Documents in Connection with the Holding of Annual Stockholders' Meetings for 2022*. Likewise, electronic copies of the Notice, Information Statement and Management Report, SEC Form 17-A and other pertinent documents were posted at the website of Asian Hospital and Medical Center (the "Hospital").

The Corporate Secretary further confirmed the presence of a quorum, there being present and/or represented in the meeting, stockholders owning 1,727,036,005 shares out of the total outstanding shares numbering 1,936,728,391, representing at least 89.1729% percent of the total issued and outstanding capital stock of the Company.

¹ <https://us06web.zoom.us/j/86238113258?pwd=b1owL2ZhS3lDbGp5OUJlcDJ2TEhXQT09>

3. Approval of Minutes of the Annual Stockholders' Meeting Held on April 30, 2021

The next item on the agenda is the approval of the minutes of the Annual Stockholders' Meeting held on April 30, 2021. The Chairman informed the stockholders that a copy of the minutes was uploaded to the Hospital's website prior to the meeting.

Dra. Aina Sales-Diaz, a stockholder, moved to approve the minutes of the Annual Stockholders' Meeting held on April 30, 2021. Dra. Josephine Tuason, another stockholder, seconded the motion. There being no objection, the Chairman declared the minutes of the Annual Stockholders' Meeting held on April 30, 2021 approved as presented.

4. Presentation of the Report of the President

The President, Mr. Andres M. Licaros, Jr., updated the stockholders on the operations and financials of the Hospital. A copy of his presentation is attached hereto as **Annex "A"**. The salient points of his report are as follows:

Operational Report

- In 2021, the Company launched a massive campaign to ensure that the Hospital is "tagged safe", and the communities it served are also safe. In particular, the Company exerted efforts to communicate to the public the importance of vaccination to end the COVID-19 pandemic through various campaigns, such as expert talks on the Hospital's Youtube channel, dissemination of materials on COVID-19 vaccination, and regular updates on the Hospital's COVID-19 vaccination statistics. Many of the Hospital's doctors and personnel likewise volunteered during the Hospital's vaccination drive, dubbed as the "#VaccineAsianDay".
- The vaccination rate of the Hospital's healthcare workers is 99.7%.
- The Hospital had to reinvent its procedures and processes to ensure the safety of its staff and patients. For instance:
 - QR codes were placed in various places at the Hospital to enable health screening upon entry to the facility.
 - The Hospital also re-engineered patient flow to ensure that physical distancing is followed strictly.
 - Access to medical services were also improved through a number of digital platforms (e.g., e-consults and online appointment system) so that patients could continue to reach the Hospital despite the lockdowns and COVID-19 surges. The President noted that during the surges, as high as 60% of the outpatient services were booked using the online platform.

- Home-based healthcare services were also improved. For healthy patients, the Hospital launched the “telehersisyo” program for patients’ regular physical exercises.
- Part of the Hospital’s “tagged safe” campaign is to continuously inform the public on how they can continue to stay healthy during the COVID-19 pandemic. The Hospital’s medical experts appeared in media outfits to talk about various topics, such as COVID-19 survival tips and what to do in case of an emergency at home. The Hospital had around 3-4 media exposures per month in 2021. The Hospital likewise organized various fora and webinars to promote health and safety among Filipinos.
- In 2021, the Company was able to relaunch its corporate social responsibility (“CSR”) programs through Asian Hospital Charities, with the help of the Company’s volunteer circle.
 - The Hospital’s volunteer staff launched telemedicine programs at Barangays Acero and Buli in Muntinlupa City, among other communities.
 - The Hospital was able to provide medical assistance to 69 patients, 56% of whom underwent different surgeries, while 44% were assisted through consultation, diagnostic tests and counselling.
 - The Hospital, in partnership with the Department of Health, also launched the “Faces of Hope” program, which aimed to provide medical treatment to pediatric cancer patients.
 - Lastly, through the generosity of its volunteers, the Hospital was able to distribute around 2,000 care packs to families in 7 communities during the Christmas season via the “Tuloy Pa Rin ang Pasko” initiative.

Annual Quality Report

- The President described AHI’s Pandemic Curve from March 2020 to December 2021, which showed how the Hospital battled through the COVID-19 surges during said period. Despite the long surge brought about by the Delta variant during the second half of the year, the Hospital still managed to decrease its fatality rate to 9% and lessened the average rate of stay to 13 days compared to 2020. The fatality rate for critical COVID-19 cases in 2021 was lower by 6% compared to 2020.
- There was also an increase in non-COVID patient census in the first half of 2021, followed by a slight decrease in the second half of the year due to the Delta variant surge.
- In terms of staff safety, the Hospital’s vaccination rate is at 99.7%. The staff hospitalization rate also decreased in 2021 (9.4%) compared to

2020 (22.4%), which may be attributed to lower infections among healthcare workers in 2021.

- The results of the Hospital's Culture of Safety Survey showed that the patients believed that the Hospital adhered to the principles of safety and healing without harm. The overall score of the Hospital in 2021 (71%) was higher compared to last year (69%).
- In terms of patient experience, the Hospital's survey score continues to recover from 2020 figures. This is mainly due to the interventions done in various business units to continue to be more efficient and provide compassionate healthcare services to patients. The Hospital aims to continue improving its patient experience score to bring it back to the same pre-pandemic level.

Financial Report

- Revenues grew by 12% in 2021 translating to around Php4 Billion. The Company's earnings before interest, taxes, depreciation, and amortization (EBITDA) is around Php991 Million, representing a 37% increase from 2020.
- Net profits grew from Php105 Million in 2020 to Php320 Million in 2021. Cash from operations remains healthy, at Php639 Million by 2021 year-end. As the country sees the end of the pandemic, the Company is expected to slowly recover from its effects.
- The President then gave a summary of the historical dividends declared by the Company since 2017. For this year, the President announced that the Board declared cash dividends in the amount of Php158,811,728.00 or Php0.82 per share, which shall be paid out on May 27, 2022.

Following the President's report, the Chairman informed the stockholders that the floor was open for questions and/or comments for the Board and/or the management.

A stockholder inquired on the current value of the Company's shares. The Chief Finance Officer, Mr. Robert Martinez, replied that the book value per share of the Company's shares of stock as of 31 December 2021 was Php2.42 per share.

The next question from the stockholders was whether the Company was willing to buy its own shares of stock at current price. The Chairman replied that the market value of shares of stock is generally the value that a willing seller is prepared to receive and a willing buyer is prepared to pay for the shares. However, the Company has not yet purchased its own shares. Mr. Martinez likewise confirmed that the Company has no treasury shares.

The Chairman then noted that there was a request from the stockholders that the Company implement its approved criteria in delineating between active and visiting staff. The Chief Medical Officer, Dr. Lito Acuin, clarified that the current document that governs the delineation of active and visiting staff is the Staff Manual that was approved in 2018 by the Medical Executive Committee. Under the Staff Manual, an active staff is defined as any staff who is able to comply with the minimum number of patient encounters per year, and a visiting staff is one who cannot meet said requirement but has training or research value or mentoring value. So even if the visiting staff does not have the same number of encounters as an active staff, he/she can still join the medical staff by providing value in terms of training and research. This delineation has been in place since 2018.

Dra. Tuason clarified that they are aware of the Staff Manual. However, the Staff Manual approved by the Medical Executive Committee must be guided by or in compliance with the By-Laws since the latter is the one approved by the Board. Dr. Tuason inquired whether the Staff Manual can supersede the By-Laws.

Independent Director, Former Chief Justice Artemio Panganiban, replied that in general, the By-Laws constitute the “Constitution”, as it were, of the organization, and everything that the organization does must conform to the By-Laws and any act that contravenes the By-Laws will not be valid. However, he also clarified that while anything contrary to the By-Laws will not be valid, in the absence of a provision in the By-Laws or if the By-Laws is silent, then a regulation will be valid. In other words, if there is no provision in the By-Laws, the regulations can be made by the authorities of the Board or the officers involved.

Dra. Tuason stated that as far as she knows, the By-Laws is not silent as to the delineation of active and visiting staff. This has been a long discussion between the doctors and department chairs in the past. Director Panganiban requested the Corporate Secretary to look at the By-Laws and check the provision which Dr. Tuason was referring to. The Corporate Secretary replied that Dr. Tuason may be referring to a Board action during the past years, and that the records will have to be reviewed.

The Chairman requested that the issue be taken offline. He directed the President and Dr. Acuin to meet with Dra. Tuason separately so that the parties could be aligned on the matter.

The next question from the stockholders pertained to the medical benefits to which active consultants and shareholders were entitled. The President stated that when new management took over in 2012, there was already a well-defined medical healthcare benefits program for all doctors and staff. This was enhanced in 2014 and expanded to include dependents. In time for the 20th anniversary, management team has formulated an updated program, which has been discussed with the Medical Executive Committee. This will be announced in the coming weeks.

Dr. Acuin stated that the current version of the updated medical benefits program was as follows – for all active medical staff, 20% discount on inpatient services and 40% on outpatient services. This was an improvement from the previous schedule of benefits, which provided for around 10%-20% discount. For visiting staff, the inpatient and outpatient discounts are 10% and 20%, respectively. For shareholders, the inpatient and outpatient discounts are 25% and 45%, respectively.

Dra. Tuason inquired on whether the senior citizen's discount can be availed of on top of the medical benefits. Dr. Acuin replied that if a patient is a senior citizen, then the Hospital will first take out the senior citizen discount, then apply the medical benefits discount to whatever is remaining.

Another question from the stockholders was whether the Hospital has plans to put up satellite outpatient facilities. The President replied that this is part of the strategy that the Hospital is pursuing, although he said that in the last two years, the Company prioritized strengthening the Hospital facility. He noted that the preference of most of the communities that the Hospital serves is not to stay long or to even avoid going to hospitals. Thus, the Company is looking at several existing clinics that can be operated as primary care clinics.

The Chairman added that the formation of satellite clinics has been part of the plans of management for a few years now. However, during the last budget presentation, the Board cautioned management to make sure that the challenges faced by the main Hospital are addressed. For example, bed capacity utilization for the first quarter of 2022 was only 30%. Thus, there is still a continuing challenge to bring back patients to the Hospital. The Board is supportive of the proposed satellite outpatient facilities and this move is also consistent with the Universal Healthcare Law. However, the Company also needs to make sure that the “mothership” is doing okay.

The last question from the stockholders was whether the valuation of the Company's shares includes the value of its land and building. The Chairman replied in the affirmative. Dra. Tuason asked if the stockholders would be able to know the percentage of increase in value of the shares coming from earnings, and the percentage attributable to increase in valuation of land. The Chairman replied that it is possible to make such computation. He also shared that there are many ways to value the shares of a company. For example, one approach that appraisers employ is the “highest and best use of property”. Here, a hospital business is not necessarily the “highest and best use” of a piece of real estate since the former is not a high margin business. Also, normally, investors in a business look at the earnings of the company, and not the asset value.

There being no further questions from the stockholders, the report of the President was noted.

5. Approval of the Audited Financial Statements of the Company for the Year Ending December 31, 2021

The next item on the agenda is the approval of the Audited Financial Statements of the Company for the year ending December 31, 2021, which was filed with the Bureau of Internal Revenue and the Securities and Exchange Commission, and presented in the President's Report. The Chairman informed the stockholders that a copy of the Audited Financial Statements was uploaded to the Hospital's website.

Dra. Sales-Diaz moved to approve the Audited Financial Statements of the Company for the year ending December 31, 2021. Dra. Tuason seconded the motion. There being no objection, the Chairman declared the Audited Financial Statements of the Company for the year ending December 31, 2021, approved by the stockholders.

6. Ratification of Corporate Acts Since April 30, 2021

The next item on the agenda is the ratification of the acts of the Board of Directors and management of the Company since April 30, 2021, as set forth in the minutes of the meetings of the Board of Directors held during the same period.

Dra. Sales-Diaz moved to ratify all of the acts of the Board of Directors and management of the Company from 30 April 2021 to the present. Dra. Tuason seconded the motion. There being no objection, the Chairman declared all of the acts of the Board of Directors and management of the Company since 30 April 2021 to the present, ratified and approved by the stockholders.

7. Election of Directors for the Year 2022-2023 (with Report on Incumbent Directors)

The next item on the agenda is the election of the members of the Board of Directors who shall serve for 2022-2023, until their successors are duly elected and qualified in accordance with the Company's By-laws.

Upon the request of the Chairman, the Corporate Secretary informed the stockholders that the following persons were nominated for election, and have confirmed that they have the qualifications and none of the disqualifications for them to be elected as members of the Board of Directors of the Company:

Regular Directors:

1. Dr. Sol. Z. Alvarez
2. Mr. Ricardo V. Buencamino
3. Mr. Reymundo S. Cochangco
4. Mr. Jose Noel C. de la Paz
5. Mr. Andres M. Licaros Jr.

6. Mr. Celso Bernard G. Lopez
7. Mr. Augusto P. Palisoc, Jr.
8. Mr. Manuel V. Pangilinan

Independent Directors:

1. Dr. Fernandino Jose A. Fontanilla
2. Retired Chief Justice Artemio V. Panganiban
3. Dr. Carmelita I. Quebengco

The Corporate Secretary further stated that the nominees for directors were the incumbent directors of the Company, who were elected during the last Annual Stockholders' Meeting held on April 30, 2021. The Corporate Secretary informed the stockholders that the profiles of the nominees are provided in the Information Statement, a copy of which was uploaded to the Hospital's website. This profile included, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations.

Dra. Sales-Diaz moved to declare all nominees to be re-elected as directors of the Company to serve as such for the year 2022-2023. Dra. Tuason seconded the motion. There being no objection, the Chairman declared the afore-mentioned nominees re-elected as directors of the Company to serve as such for the year 2022-2023 and until their successors are duly elected and qualified in accordance with the Company's By-laws.

8. Appointment of External Auditors

The next item on the agenda is the appointment of the Company's external auditors. The Chairman informed the stockholders that the Audit Committee has recommended the re-appointment of Sycip Gorres Velayo & Co. as the external auditors of the Company for the year 2022-2023.

Dra. Sales-Diaz moved to re-appoint Sycip Gorres Velayo & Co. as the external auditors of the Company for the year 2022-2023. Dra. Tuason seconded the motion. There being no objection, the Chairman declared re-appointed Sycip Gorres Velayo & Co. as the Company's external auditors for the year 2022-2023.

9. Adjournment

There being no other matters to discuss, and upon motion duly made and seconded, the annual meeting of the stockholders was adjourned.

In closing, the Moderator invited the stockholders to participate at the 20th Founding Anniversary Celebration activities of the Hospital. The Moderator also advised the stockholders that a copy of the Company's 2021 Annual Report is available via the QR code (shown at the screen) or at the Hospital's website. The stockholders may also contact the Corporate

Communications Department via phone or email to get a copy of the 2021 Annual Report.

ATTEST:

AUGUSTO P. PALISOC, JR.
Chairman of the Board

GILBERT RAYMUND T. REYES
Corporate Secretary