

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter Asian Hospital, Inc. ("AHI")
3. Province, country or other jurisdiction of incorporation or organization Philippines
4. SEC Identification Number ASO94-00011249
5. BIR Tax Identification Code 004-502-062-000
6. 2205 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City 1780
Address of principal office Postal Code
7. Registrant's telephone number, including area code (632) 8771-9000 to 9002
8. Date, time and place of the meeting of security holders

Date: **April 30, 2024**
Time: **1:00 P.M.**
Place: **To be conducted virtually**

Unique links will be provided to stockholders once they register through the following link:

https://us06web.zoom.us/webinar/register/WN_wlw5_h1wTyuXu4nP_biH4w
9. Approximate date on which the Information Statement is first to be sent or given to security holders April 3, 2024
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code ("SRC") (information on number of shares and amount of debt is applicable only to corporate registrants): **NOT APPLICABLE**
11. None of AHI's securities is listed on the Philippine Stock Exchange.

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. Date, time and place of meeting of security holders

Date: April 30, 2024
Time: 1:00 P.M.
Place: To be conducted virtually

Unique links will be provided to stockholders once they register through the following link:

https://us06web.zoom.us/webinar/register/WN_wlw5_h1wTyuXu4nP_biH4w

Mailing Address: 2205 Civic Drive, Filinvest Corporate City Alabang
Muntinlupa City 1780

The Notice of Meeting is attached hereto as Annex "A"

The date on which the Information Statement is first to be sent or given to stockholders is on or before April 1, 2024.

2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder has the right to dissent and demand payment of the fair value of his shares in the following cases: (i) amendments to the Articles of Incorporation which have the effect of changing or restricting the rights of any stockholder or class of shares; or of authorizing preferences in any respect superior to those of outstanding shares of any class; or of extending or shortening the term of corporate existence; (ii) sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (iii) merger or consolidation, and (iv) investment of corporate funds for any purpose other than the primary purpose of the corporation.

At the April 30, 2024 annual stockholders' meeting (the "Annual Meeting"), no matter shall be acted upon by stockholders as would give rise to a right of appraisal.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There is no person who has been a director or officer of AHI at any time since the beginning of the last fiscal year, or who is a nominee for election as director, or an associate of any of the foregoing persons who has a substantial interest, direct or indirect, in any matter to be acted upon at the Annual Meeting. No member of the AHI's Board of Directors (the "Board")

has informed AHI that he/she intends to oppose any action to be taken by AHI at the Annual Meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

- (a) The total number of shares issued and outstanding as of December 31, 2023 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 Revised 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 Revised Corporation Code.
- (b) The record date for purposes of determining the stockholders entitled to vote at the April 30, 2024 Annual Meeting is April 12, 2024 (the "Record Date"). Stockholders are entitled to cumulative voting in the election of the members of the Board as provided 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 total 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.

(d)(i) 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 **February 29, 2024**, are as follows:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner	Citizenship	No. of Shares	Percentage of Class
Common	Metro Pacific Hospital Holdings, Inc. (formerly Neptune Stroika Holdings, Inc.) ("MPHHI") ¹	MPHHI	Filipino	1,016,151,999	52.47

¹ 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. In a Proxy dated 13 April 2022, MPHHI designated Mr. Augusto P. Palisoc, Jr., or in his absence, Mr. Reymundo S. Cochangco, or in his absence, Mr. Jose Noel C. De La Paz, or in his absence, the Chairman of the Stockholders' Meeting of the Company, as MPHHI's proxy to represent MPHHI and vote all shares of stock in the Company owned by MPHHI

	10 th Floor MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City Stockholder				
Common	AHI Hospital Holdings Corporation (formerly, Bumrungrad International Phils., Inc.) ("AHHC") ² 10F Net One Center, 26 th cor. 3 rd Avenues, Bonifacio Global City, Taguig, Metro Manila Stockholder	AHHC	Filipino	532,582,396	27.50
Common	Metro Pacific Investments Corporation ("MPIC") ³ 10th Floor MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City Stockholder	MPIC	Filipino	109,278,743	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.

(d)(ii) Security Ownership of Management as of February 29, 2024:

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	Beaver R. Tamesis, MD President & CEO/ Director	1 -- Direct	Filipino	Nil
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	295,754 -- Direct	Filipino	0.02%

at all annual and/or special meetings of the stockholders of the Company. The Proxy is valid for a period of five (5) years, unless sooner terminated in writing, copy furnished the Corporate Secretary of the Company.

² In a Proxy dated 13 April 2022, AHHC designated Mr. Augusto P. Palisoc, Jr., or in his absence, Mr. Reymundo S. Cochangco, or in his absence, Mr. Jose Noel C. De La Paz, or in his absence, the Chairman of the Stockholders' Meeting of the Company, as AHHC's proxy to represent AHHC and vote all shares of stock in the Company owned by AHHC at all annual and/or special meetings of the stockholders of the Company. The Proxy is valid for a period of five (5) years, unless sooner terminated in writing, copy furnished the Corporate Secretary of the Company.

³ 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. MPIC has likewise executed a Proxy dated 13 April 2022, designating Mr. Jose Ma. K. Lim, or in his absence, Mr. Augusto P. Palisoc, Jr., or in his absence, the Chairman of the Stockholders' Meeting of the Company, as MPIC's proxy to represent MPIC and vote all shares of stock in the Company owned by MPIC at all annual and/or special meetings of the stockholders of the Company. The Proxy is valid for a period of five (5) years, unless sooner terminated in writing, copy furnished the Corporate Secretary of the Company.

Director					
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		738,240			0.04%

(d)(iii) 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"), the 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.

(e) Changes in Control

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

5. Directors and Executive Officers

- (a)(i) Members of the Board shall serve for a term of one year and until their successors shall have been duly elected and qualified. The following are the current directors and executive officers of AHI, including the respective business experience during the past five (5) years of each director and executive officer:

AHI Directors

Name of Director	Age	Citizenship	Date of First Election to the Board
Fernandino Jose A. Fontanilla (Independent Director)	59	Filipino	July 25, 2006
Manuel V. Pangilinan	77	Filipino	December 6, 2011
Augusto P. Palisoc Jr.	66	Filipino	December 6, 2011

Carmelita I. Quebengco (Independent Director)	76	Filipino	March 21, 2012
Jose Noel C. de la Paz	67	Filipino	April 30, 2015
Sol Z. Alvarez	91	Filipino	August 7, 2015
Retired Chief Justice Artemio Panganiban (Independent Director)	87	Filipino	March 3, 2017
Reymundo S. Cochangco	57	Filipino	September 15, 2020
Celso Bernard G. Lopez	50	Filipino	September 15, 2020
Beaver R. Tamesis	64	Filipino	November 1, 2022

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 was the former Dean of San Beda University – College of Medicine from 2013-2022. In June of 2022, he was appointed as Vice President for Research and Innovation of San Beda University. Dr. Fontanilla was the former Treasurer and Member of the Board of Trustees of the Association of Philippine Medical Colleges and was a former 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 remains 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 Bancor 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 39 years. He is currently an Executive Director of MPIC and is the President & Chief Executive Officer and Director of Metro Pacific Hospital Holdings Inc. (MPHHI), 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.

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, USA. 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 a second and third honorary doctorate in Educational Leadership and Management by St. Mary's College California and Universidad La Salle Mexico.

JOSE NOEL C. DE LA PAZ is MPHHI's Director for Corporate Development since the start of the company in 2014, a continuation of the position he held in MPIC from 2007 to 2014

when the hospital group was part of said holding company. 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, USA. 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.

DR. BEAVER R. TAMESIS is a cardiologist by profession, boarded by his society since 1991. He is widely published internationally in cardiology and in the area of structured treatment protocols for diabetes, and actively practicing cardiology at The Medical City, where he previously served as training officer for Internal Medicine, and later establishing the fellowship training program for cardiology. He is a Fellow in good standing with both the Philippine College of Physicians, and the Philippine College of Cardiology. Dr. Tamesis was previously the Managing Director and President of Merck Sharp and Dohme (MSD) I.A. LLC, an innovator multinational pharmaceutical company. He led the company for 8 years from 2013 until his retirement from MSD at the end of March 2022, completing 27 years of service. Prior to becoming President of MSD, he served in various roles beginning in April of 1995, from Medical Director (1995 – 2000), to Business Unit Director for two different therapeutic areas (Bone and Joint, 2001 - 2005 and later Cardio Metabolic 2008 - 2012). He also took on a Regional Marketing Director role from 2006 to 2007 for the launch of the diabetes product of MSD, JANUVIA. Concurrent with his role with MSD, after 2 years of being a Trustee, he was elected President of the Pharmaceutical Healthcare Association of the Philippines (PHAP) from 2016 until end of 2021. During his term as PHAP President, Dr. Tamesis championed ethical business practices standards for the pharmaceutical industry, worked closely with the Department of Health (DOH) and the mass media in addressing medical disinformation, particularly concerning vaccines, COVID19 and developed with DOH, a rational approach towards pricing of medicines. Dr. Tamesis was appointed as director of the Company, and elected as its Chief Executive Officer and President, as of 1 November 2022.

AHI Officers

Name of Officer	Position	Age	Citizenship
Augusto P. Palisoc Jr.	Chairman	65	Filipino
Dr. Beaver R. Tamesis	President and Chief Executive Officer	63	Filipino
Reymundo S. Cochangco	Treasurer	56	Filipino
Robert D. Martinez	Chief Finance Officer	59	Filipino
Gilbert Raymund T. Reyes	Corporate Secretary	64	Filipino
Marie Michelle B. Go	Assistant Corporate Secretary	36	Filipino
Dr. Jose M. Acuin	Chief Medical Officer	64	Filipino

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

BEAVER R TAMESIS (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 MICHELLE B. GO is the incumbent Assistant Corporate Secretary of AHI. She is a Junior Partner at the Poblador Bautista and Reyes Law Offices. She received her Bachelor of Arts degree in Broadcast Communication (magna cum laude, valedictorian) and her Juris Doctor degree (cum laude, salutatorian) from the University of the Philippines in 2007 and 2012, respectively. She also obtained a Master of Laws Degree from the University of Cambridge in 2019. Her fields of legal practice include civil and criminal litigation, commercial arbitration, corporate law, and intellectual property law.

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.

(a)(ii) Certain Relationships and Related Transactions

AHI executed a Consultancy Services Agreement with Bumrungrad International Limited (“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.

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. On July 1, 2014, MPIC assigned all of its rights and obligations under the Consultancy Services Agreement and Service Agreement to MPHHL.

(a)(iii) Election of Members of the Board

Qualifications of Regular Directors

There will be an election of the members of the Board during the Annual Meeting. The Nomination Committee has pre-screened all candidates nominated to become a member of the Board in accordance with the following qualifications and disqualifications:

A. Qualifications:

- (i) He shall be a holder of at least 1 share of stock of AHI;**
- (ii) He shall be at least a college graduate or have sufficient experience in managing a hospital to substitute for such formal education;**
- (iii) He shall be at least 21 years old;**
- (iv) He shall have proven to possess integrity and probity, and adequate competency and understanding of the business; and**
- (v) He shall be assiduous.**

B. Disqualifications:

- (i) Any person finally convicted judicially of an offense involving moral turpitude, such as but not limited to, graft and corruption, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, perjury, falsification or other fraudulent acts or transgressions;**
- (ii) Any person finally found by the Securities and Exchange Commission (SEC), judicial courts or other administrative bodies to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code (SRC), the Revised Corporation Code, or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or any rule, regulation or order of the SEC or BSP;**
- (iii) Any person judicially declared to be insolvent;**
- (iv) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;**
- (v) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding 6 years, or a violation of the Revised Corporation Code committed within 5 years prior to the date of his election or appointment; and**
- (vi) If an independent director of the company becomes an officer, employee or consultant of the company, he shall be automatically disqualified from being an independent director.**

C. Grounds for Temporary Disqualification:

- (i) Refusal to fully disclose the extent of his business interests and disclosure requirements as required under the SRC and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;**

- (ii) Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special of the Board during his incumbency, or any 12-month period during said incumbency except if due to illness, death in the immediate family, or serious accident. This disqualification applies for purposes of the succeeding election;
- (iii) Dismissal/termination from directorship in another corporation covered under the Revised Manual of Corporate Governance for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- (iv) If the beneficial security ownership of an independent director in AHI or in its related companies shall exceed two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; and
- (v) Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

Qualifications of Independent Directors

In the election of Independent Directors, the following guidelines set forth in Appendix B of AHI's Revised Manual of Corporate Governance must be considered:

- A. An "Independent Director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director and includes, among others, any person who:
 - (i) Is not a director or officer of AHI or its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
 - (ii) Does not own more than 2% of the shares in AHI and/or its related companies or its substantial stockholders;
 - (iii) Is not related to any director, officer or substantial shareholder of AHI, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - (iv) Is not acting as a nominee or representative of any director or substantial shareholder of AHI, and/or any of its related companies and/or any of its substantial shareholders pursuant to a Deed of Trust or under any contract or arrangement;
 - (v) Has not been employed in any executive capacity by AHI, any of its related companies and/or by any of its substantial stockholders within the last two (2) years;
 - (vi) Is not retained, either personally or through his firm or any similar entity as professional adviser by AHI, any of its related companies or any of its substantial stockholders within the last two (2) years; or
 - (vii) Has not engaged and does not engage in any transaction with AHI and/or with any of its related companies and/or with any of its substantial stockholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a

director or substantial stockholder, other than transactions which are conducted at arm's length and are immaterial.

- B. No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding 6 years, or a violation of the SRC committed within 5 years prior to the date of his election, shall qualify as an Independent Director. This is without prejudice to other disqualifications under AHI's Revised Manual on Corporate Governance.

When used in relation to AHI:

- (i) Related company means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
- (ii) Substantial stockholder means any person who is directly or indirectly the beneficial owner of more than 10% of any class of its equity security.

- C. An Independent Director shall have the following qualifications:

- (i) He shall have at least 1 share of stock of AHI;
- (ii) He shall be at least a college graduate or he shall have been engaged or exposed to the business of AHI for at least 5 years;
- (iii) He shall possess integrity/probity; and
- (iv) He shall be assiduous.

- D. No person disqualified as a director shall qualify as an Independent Director. One shall likewise be disqualified during his tenure under the following instances or causes:

- (i) He becomes an officer or employee of AHI;
- (ii) His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of AHI;
- (iii) Fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of Board meetings during his incumbency; or
- (iv) Fails to meet such other qualifications which AHI's Revised Manual on Corporate Governance.

Conduct of Elections

Only the nominees for Directors and Independent Directors whose names appear in this Information Statement shall be eligible for election as Director and/or Independent Director. No further nomination shall be entertained or allowed on the floor during the actual Annual Meeting.

The Chairman of the Annual Meeting shall inform all stockholders in attendance of the mandatory requirement of electing at least three (3) Independent Directors. He shall ensure that at least three (3) Independent Directors are elected during the Annual Meeting. Specific slots for Independent Directors shall not be filled by a nominee who is not qualified to sit as an independent director of the Company. In case of failure of election for Independent Directors, the Chairman of the Annual Meeting shall call a separate election during the same meeting to fill up the vacancy.

The conduct of the election of Directors, including the Independent Directors, shall be made in accordance with AHI's Amended By-Laws.

Nominees for Regular and Independent Directors

The following are the members of the Nomination Committee:

1. Jose Noel C. de la Paz
2. Dra. Carmelita I. Quebengco (independent director)
3. Mr. Manuel V. Pangilinan

The following are the nominees for directors of AHI for 2024-2025:

Regular Directors:

1. Manuel V. Pangilinan
2. Beaver R. Tamesis
3. Jose Noel C. de la Paz
4. Augusto P. Palisoc Jr.
5. Sol Z. Alvarez
6. Reymundo S. Cochangco
7. Celso Bernard G. Lopez

Independent Directors:

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

No nomination has been received for the last seat for the director position.

The nominees for Independent Directors possess and have continuously possessed the qualifications and none of the disqualifications of an Independent Director from the time they were first elected as such. Fernando Jose A. Fontanilla and Carmelita I. Quebengco were due to observe a cooling-off period of two (2) years on May 2017. They have also served a cumulative term of more than nine (9) years.

The Securities and Exchange Commission has been notified of their nomination for re-election in a letter dated 13 March 2023 attached hereto as Annex "B".

Fernandino Jose A. Fontanilla, Carmelita I. Quebengco and Retired Chief Justice Artemio V. Panganiban were nominated by Dr. Carlos Vicente Gabriel. Dr. Gabriel is a stockholder of the Corporation. He has no relationship with Fernandino Jose A. Fontanilla, Carmelita I. Quebengco and Retired Chief Justice Artemio V. Panganiban.

Copies of the Certifications executed by the nominees for Independent Directors as to their qualifications, are attached hereto as Annex "C".

(a)(iv) Other Significant Employees

There are no other significant employees of AHI.

(a)(v) Family Relationship

There are no family relationships among the employees, officers and directors of AHI.

(a)(vi) Involvement in Certain Legal Proceedings

AHI is not aware of any pending case that may materially affect the ability of the nominees to adequately and ably perform their duties as directors of the company, once elected.

6. Compensation of Directors and Executive Officers

(a)(i) Summary Compensation Table

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

Below is the summary of the annual compensation of the executive officers of AHI:

SUMMARY COMPENSATION TABLE
Annual Compensation

	Year	Salary (in Php)	Bonus (in Php)	Other Annual Compensation (in Php)
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
Andres M. Licaros Jr., Chief Executive Officer (resigned) Beaver R. Tamesis MD, 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	24,608,000	7,478,958	13,455,114
All other officers		76,888,729	10,870,228	4,043,361
Beaver R. Tamesis MD, 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	2023	20,793,920	3,589,480	8,416,717

All other officers		93,516,782	22,455,182	10,410,650
Projected Beaver R. Tamesis MD, Chief Executive Officer Robert D. Martinez, Chief Finance Officer Jose Acuin, Chief Medical Officer	2024	22,249,494	3,840,744	9,005,888
All other officers		100,062,956	24,027,044	11,139,396

(a)(ii) 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.

(a)(iii) Employment Contracts and Termination of Employment and Change in Control Arrangements

As of December 31, 2023, 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).

(a)(iv) Warrants and Options Outstanding

As of December 31, 2023, there are no warrants and/or options outstanding.

7. 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 2023.

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 or policy, or regarding AHI's financial statements or disclosures.

The re-appointment of SGV as AHI's external auditor for the year 2024-2025 will be proposed for the consideration of the stockholders at the April 30, 2024 Annual Meeting.

- (b) External Audit Fees

- (b)(i) Audit and Audit-Related Fees

SGV billed AHI the amount of Php1.8 million and Php1.7 million for 2023 and 2022, respectively, as fees for the examination of the financial statements of AHI and related out-of-pocket expenses.

(b)(ii) Tax Fees and Other Fees

AHI engaged the tax services of SGV for assistance with BIR tax examinations in 2023.

(c) Representatives of SGV will be present during the 2024 Annual Meeting and will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

(d) Audit Committee

The members of the Audit Committee are Dr. Fernandino Jose A. Fontanilla (Independent Director and Chairman), Mr. Ricardo V. Buencamino and Mr. Reymundo S. Cochangco.

8. Legal Proceedings

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Financial and Other Information

AHI's Audited Financial Statements for the year 2023 shall be made available to the stockholders as provided in Annex "D" hereof.

D. OTHER MATTERS

10. Action with Respect to Reports

The minutes of the last annual meeting of the stockholders held on May 2, 2023 will be submitted to the stockholders for approval. A copy of the minutes is attached hereto as Annex "E".

11. Matters Not Required To Be Submitted

No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

12. Amendment of Charter, By-laws or Other Documents

No action will be taken with respect to any amendment of AHI's charter, by-laws, or other documents.

13. Other Proposed Action

There are no other matters to be taken up during the April 30, 2024 Annual Meeting.

14. Voting Procedures

- (a) Each stockholder shall be entitled to one (1) vote for each share.
- (b) The items in the agenda require the affirmative vote of the stockholders entitled to vote representing a majority of the outstanding capital stock of AHI.
- (c) In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the Revised Corporation Code.
- (d) In order to ensure the safety and welfare of our directors, management and stockholders and for their convenience, AHI will dispense with the physical attendance of stockholders at the 2023 Annual Meeting of the stockholders and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy.
- (e) Stockholders must notify AHI of their intention to participate in the meeting by remote communication to be included in the determination of quorum.
- (f) A stockholder may vote electronically by registering at:

https://us06web.zoom.us/webinar/register/WN_wlw5_h1wTvuXu4nP_biH4w

subject to validation procedures. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

- (g) Proxies shall be in writing, signed and filed by the stockholder, and shall be filed with the Company's stock and transfer agent during the registration period.
- (h) All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the results of voting during the meeting.
- (i) The detailed instructions for participation through remote communication are set forth in Annex "F" – Requirements and Procedures for Registration and Electronic Voting in Absentia.

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote. For the purpose of electing directors, a stockholder may vote such number of his 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 in the same principle among as many candidates as he shall see fit.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are participating in the meeting by remote communication and are voting in absentia or represented by proxies.

Method of Counting Votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are participating in the meeting by remote communication and are voting in absentia or represented by proxies at the Annual Meeting of the stockholders.

PART II

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in Makati City on 02 April 2024.

ASIAN HOSPITAL, INC.

By:


GILBERT RAYMUND T. REYES
Corporate Secretary

MANAGEMENT REPORT

GENERAL NATURE AND SCOPE OF 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 1780. The Hospital's operations started on March 15, 2002.

AHI has not filed for bankruptcy, receivership or other similar proceedings in the past and until the present.

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 the Part - Management Discussion and Analysis and Plan of Operations under the Heading - Income Statement.

AHI has no subsidiaries.

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 City, and The Medical City in Pasig City. All of these competitors are tertiary hospitals.

Audited Financial Statements

AHI's Audited Financial Statements for the year 2023 is attached as Annex "G" hereof.

MARKET INFORMATION

AHI's shares are not traded in any public trading market in the Philippines.

STOCKHOLDERS

Based on the records of AHI's stock transfer agent, as of **February 29, 2024**, AHI has 616 common stockholders. Below is the list of the top 20 stockholders as of **February 29, 2024**:

	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

BALANCE SHEET

Statement of Financial Position: Comparing 2023 and 2022

AHI's total assets at year-end 2023 and 2022 ended at Php6.4 billion and Php5.7 billion, respectively. Total liabilities ended at Php1.3 billion as of year-end 2023, with an increase of Php376.1 million compared to 2022, while stockholders' equity closed at Php5.1 billion, which was 6.8% higher than the previous year.

Total current assets increased to Php2.2 billion as of year-end 2023, as against Php1.6 billion in 2022. Cash and cash equivalents increased to Php1.4 billion in 2023 from Php1.0 billion in 2022. Accounts receivables amounted to Php528.9 million in 2023 and Php366.5 million in 2022. The inventory of medicines and medical supplies increased to Php178.6 million in 2023 from Php164.2 million in 2022.

Total non-current assets, which accounted for about 66.2% of the total assets in 2023 and 72.2% in 2022, amounted to Php4.2 billion in 2023 and Php4.1 billion 2022. Cost of the hospital building and investment in medical equipment comprised the bulk of the non-current assets.

Total current liabilities increased to Php1.2 billion in 2023 from Php832.9 million in 2022.

Non-current liabilities which consisted of retirement benefits accrual and lease liability stood at Php80.6 million in December 2023 versus Php51.8 million as of the end of 2022.

The shareholders' equity increased to Php5.1 billion in 2023 from Php4.8 billion in 2022.

Income Statements: Comparing 2023 and 2022

Net patient service revenues increased by 19.6% to Php4.2 billion from Php3.5 billion in the previous year. Of the gross patient service revenues, ancillary services contributed Php4,703.5 million in 2023 and Php3,918.0 million in 2022, while routine services, which include room and board, stood at Php349.7 million in 2023 and Php267.8 million in 2022.

Cost of services and sales increased to Php2.6 billion in 2023 from Php2.2 billion in 2022. A breakdown of the Cost of Services and Sales for years 2023 and 2022 is provided below:

Cost of Services and Sales	2023	2022
Medicine and Medical supplies	1,043,448,773	951,246,460
Personnel costs	481,565,745	358,302,427
Reader's Fee	276,087,436	234,843,174
Professional fees and outside services	267,423,883	212,941,821
Depreciation	199,210,884	191,425,089
Communication, light and water	121,281,767	145,146,844
Patient meals	46,870,315	35,450,177
Repairs and maintenance	41,731,336	33,353,764
Supplies	29,835,372	22,189,509
Rent	12,424,272	8,895,938

Amortization of software	3,840,260	2,891,050
Others	41,113,052	23,785,822
Total	2,564,833,095	2,220,472,075

Medicines and medical supplies increased by 9.7% mainly due to the increase in patient census. Reader's fees increased by 17.6% due to higher outpatient volume. The increase in patient census resulted in higher patient meals and supplies.

Personnel costs increased by 34.4% due to higher headcount owing to additional nursing benefits, which are offered to advance hiring of nurses for attrition. Professional fees and outside services increased by 25.6% mainly due to the transfer of management of Lab Clinical to Medi Linx. The increase in depreciation is mainly attributed to the purchase of medical equipment. The decrease in communication, light and water is mainly due to lower power rates. The increase in repairs and maintenance is due to repair of medical equipment.

Rent expense decreased primarily due to the decrease in the lease of medical equipment. The increase in "others" is mainly due to AHI's program to improve Doctors' engagement by rewarding MDs with increased patient referrals.

Operating expenses for year 2023 increased compared to 2022, and amounted to Php1,038.5 million. A breakdown of the Operating Expenses for years 2023 and 2022 is provided below:

Operating Expenses	2023	2022
Personnel costs	370,301,278	332,157,222
Depreciation	179,045,199	174,332,049
Professional fees and outside services	146,261,288	167,948,443
Repairs and maintenance	87,933,777	68,100,295
Taxes and licenses	53,687,935	33,962,148
Communication, light and water	52,327,530	57,091,281
Supplies	22,067,355	18,760,743
Advertising	21,178,473	9,566,577
Entertainment, amusement and recreation	16,924,927	19,719,849
Insurance	15,492,823	15,285,504
Transportation and travel	14,516,903	11,500,399
Amortization of software	11,817,837	10,075,213
Rent	9,482,858	8,746,456
Others	37,412,704	33,198,341
Total	1,038,450,887	960,444,520

The increase in personnel expenses is mainly attributable to an increase in medical and other benefits, and an increase in headcount. The increase in repairs is mainly due to repairs of the building. The decrease in communication, light, and water expenses is mainly due to lower power rates.

The increase in taxes and licenses is mainly due to higher revenue. Advertising is higher by 121.4% due to increased marketing activities including the launch of the Alagang Deserve, Alagang Sulit (ADAS) campaign.

The increase in the item "others" is mainly due to commission expense for credit card transactions.

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

The decrease in AHI's "Other Income" is mainly due to lower institutional fees from clinical trials.

AHI is already debt free as of year 2017 and has tremendously increased its cash position. Thereby, all major capital expenditures (new and replacements) are funded from cash generated from the Company's operations. The Company does not intend to raise additional funds or 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 2024 mainly to replace existing equipment.

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 the COVID-19 pandemic, there were no material known trends, events or uncertainties which have material impact on the Company's sales.

There were no material causes for any changes in the Financial Statements from December 31, 2022 to December 31, 2023.

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.

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 Hospital Tower 2.

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 in 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 Amending 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 Tower 2 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 that 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 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 their health concerns and consult with AHI doctors in 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-19, 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, through which senior citizens and PWDs to purchase their medication refills up to a maximum 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 April 2021, AHI’s Pathology and Laboratory Services announced the availability of online laboratory results via the AHMC portal.

AHI gained its fourth JCI re-accreditation in September 2022.

In May 2023, AHI was awarded the prestigious title of Acute Stroke Ready Hospital (ASRH) by the Stroke Society of the Philippines.

In July 2023, the Department of Health (DOH) awarded the Asian Cancer Institute as a Cancer Specialty Center in a General Hospital.

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.

KEY PERFORMANCE INDICATORS

Hospital Census

The number of average daily inpatient census as of December 2023 increased to 165 from an average of 116 in 2022, while outpatient census increased to an average of 696 per day as of December 2023 from 601 over the same period last year. The hospital's total revenues from services to patients for 2023 went up by 19.6% or Php0.7 million.

	Year 2023	Year 2022
Average Daily Inpatients	165	116
Average Daily Outpatients	696	601

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 2023 and 2022, the Company has 25 and 26 accredited HMOs, respectively.

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, 2023 and 2022 are as follows:

	Year 2023	Year 2022
Percentage of Allowance for ECL over Accounts Receivable	33.6%	47.2%
Days' Revenues in Receivables*	54	64

* 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 closely monitors the progress of patient receivables and meets 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, 2023 and 2022 are as follows:

	Year 2022	Year 2021
Days' Sales in Inventory*	43	58

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

Rationalization of Manpower Level

The increase in headcount among regular employees is mainly due to advance hiring of nurses for attrition. 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).

The comparative manpower levels of the Hospital as of December 31, 2023 and 2022 are shown below:

	Year 2023	Year 2022
Regular*	1,269	1,156
Probationary*	492	223
Total	1,761	1,379

* Actual headcount

Dividends

AHI declared dividends in the total amount of Php345.7 million and Php317.6 million in 2023 and 2022, respectively.

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).

On July 30, 2014, AHI submitted to the SEC a Revised Manual on Corporate Governance, to reflect changes prescribed under SEC Memorandum Circular No. 9 series of 2014.

On June 13, 2022, AHI submitted to the SEC a further Revised Manual on Corporate Governance, in compliance with SEC Memorandum Circular No. 24 series of 2019. AHI's current Revised Manual on Corporate Governance took effect on 10 June 2022.

There has been no material deviation from the Revised Manual on Corporate Governance. Neither has there been any director or executive officer of AHI who has violated any material provision of the same.

**ANNEX "A"
NOTICE OF MEETING**

NOTICE OF MEETING

NOTICE OF VIRTUAL ANNUAL MEETING OF STOCKHOLDERS

Please be advised that the Annual Meeting of the stockholders of ASIAN HOSPITAL, INC. for the year 2024 will be conducted online on Tuesday, April 30, 2024 at 1:00 P.M. Stockholders may watch and participate in the proceedings by registering at the following URL address (https://us06web.zoom.us/webinar/register/WN_wtw5_h1wTvuXu4nP_biH4w) and signing on at the unique URL address that will be provided after registration.

The following matters are on the agenda of the meeting:

- a. Call to Order
- b. Certification of Notice and Quorum
- c. Approval of the Minutes of the Annual Meeting of Stockholders held on May 2, 2023
- d. Presentation of the Report of the Chief Executive Officer
- e. Presentation of the Audited Financial Statements of AHI for the year ended December 31, 2023
- f. Ratification of Corporate Acts since May 2, 2023
- g. Election of Directors
- h. Appointment of External Auditor for 2024-2025
- i. Adjournment

The minutes of the 2023 Annual Meeting of Stockholders is available at the AHI website and will be made available to all stockholders as of record date along with the Information Statement.

The Board of Directors has fixed the close of business on April 12, 2024 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders.

Given the current circumstances and in order to ensure the safety and welfare of our stockholders and for their convenience, AHI will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia or voting through the Chairman of the meeting as proxy.

Duly accomplished proxies (sample forms of which shall be provided to the stockholders together with this notice and the Information Statement) must be submitted on or before April 24, 2024 to AHI's stock transfer agent at:

PROFESSIONAL STOCK TRANSFER INC.
10th Floor Telecom Plaza, 318 Gil Puyat Avenue, Makati City
Telephone Number: (632) 8687-4053
Look for: Ms. Hilda Amion or Ms. Edelyn Jimeno
(Email Address: hilda.amion@professionalstocktransfer.com or
edelyn.jimeno@professionalstocktransfer.com)

Stockholders intending to participate by remote communication should notify AHI by email to ahlagminfo@asianhospital.com on or before April 24, 2023.

Stockholders may vote electronically in absentia, subject to validation procedures.

The rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement.

The qualifications and disqualifications of candidates for directors, nomination, and conduct of election are likewise set forth in the Information Statement.

Very truly yours,


GILBERT RAYMUND T. REYES
Corporate Secretary

ANNEX "B"
**LETTER TO THE SEC ON THE EXTENSION OF TERM
OF AHI INDEPENDENT DIRECTORS**

13 March 2024

SECURITIES & EXCHANGE COMMISSION
7907 Makati Avenue, Salcedor Village
Barangay Bel-Air, Makati City

Attention: **RACHEL ESTHER J. GUNTANG-REHALANTE**
Director
Corporate Governance and Finance Department

Re: **Asian Hospital, Inc. Independent Directors –
Extension of Term**

Greetings:

In relation to the filing by Asian Hospital, Inc. ("AHI") of its Information Statement as required under Rule 20 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, we would like to notify the Honorable Commission of AHI's intention to re-elect its incumbent independent directors: (i) Fernando Jose A. Fontanilla; and (ii) Carmelita I. Quebengco.

Mr. Fontanilla and Ms. Quebengco have each served a cumulative term of more than nine (9) years. However, AHI has opted to have them re-elected as the company was unable to find other replacements that will provide the same or comparable skills, qualifications, and experience that the incumbent independent directors are currently providing.

The AHI Board is convinced that Mr. Fontanilla and Ms. Quebengco remain independent and are qualified for re-election to the AHI Board. Their re-election shall likewise be subject to the approval of the shareholders during the annual shareholders' meeting.

We trust that you find the foregoing in order.

Very truly yours,


GILBERT RAYMUND T. REYES
Corporate Secretary

**ANNEX "C"
CERTIFICATION OF INDEPENDENT DIRECTORS**

CERTIFICATION OF INDEPENDENT DIRECTOR

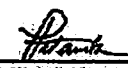
I, **FERNANDINO JOSE A. FONTANILLA**, Filipino, of legal age and a resident of Muntinlupa, Metro Manila, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ASIAN HOSPITAL, INC.** and have been its independent director since 25 July 2006.
2. I am affiliated with the following companies:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
San Beda University	Vice-President for Research and Innovation	June 2022 - present
Label Corporation	Vice President	December 1994 - present
Label Corporation	Vice President	December 1994 - present
Department of Ophthalmology - The Medical City	Section Head - Uveitis	2002 - present
Eye Gland Glucose Specialists	Founding Partner	2002 - present
Jaeu Raman and Bistro Bar, Inc.	Member, Board of Director	2018 - present

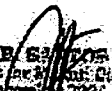
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ASIAN HOSPITAL, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its Implementing Rules and Regulations ("IRR") and other issuances of the Securities and Exchange Commission ("SEC").
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of **ASIAN HOSPITAL, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the IRR of the SRC.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not affiliated with a government agency or a government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **ASIAN HOSPITAL, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this 18 MAR 2024 at MAKATI CITY


FERNANDINO JOSE A. FONTANILLA
 18 MAR 2024 at **MAKATI CITY**, affiant

SUBSCRIBED AND SWORN to before me this _____ at _____, affiant personally appeared before me and exhibited to me his PRC ID No. 0073779 issued at the City of Manila on 26 December 1991.

Doc. No. 285
 Page No. 18
 Book No. 11
 Series of 2024.


KRISHA B. SANTOS
 Notary Public for Makati City
 Until 31 December 2024
 PTR No. 1967-2014/2014/2014/Makati City
 IBP No. 1967-2014/2014/2014/2014
 Roll of Attorneys No. 21645
 Admitted to the Bar on 24 May 2012
 MCLC (Lawyer's Board Order) No. 1
 Series of 2009, July 4, 2008
 Appointment No. 31-836
 8th Floor, SEC LCI Bldg., 130 Rada corner
 Legaspi Sta., Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARMELITA I. QUEBENGCO**, Filipino, of legal age and a resident of The Grand Midori, 160 Legaspi Street, Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ASIAN HOSPITAL, INC.** and have been its independent director since 21 March 2012.
2. I am affiliated with the following companies:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Arnold Janssen Foundation	Trustee	2018 - present
De La Salle University Publications Board	Trustee	2014 - present
De La Salle University Yuchengco Center	Trustee	1998 - present
De La Salle University Museum	Trustee	2000 - present
Divine World School of Theology	Trustee	2022 - present
Friendly Care Foundation	Trustee	1998 - present
Holy Name University	Trustee	2023 - present
La Salle Academy Antipolo	Trustee	2024 - present
Miriam College	Trustee	2014 - present
Philippine Accrediting Association of Schools, Colleges, and Universities	Trustee	2016 - present
Philippine Women's University	Trustee	2016 - present
St. Joseph School - La Salle	Trustee	2020 - present
St. Mary's College of Tagum	Trustee	2016 - present
St. Paul University, Manila	Trustee	2012 - present
University of the Immaculate Conception, Davao	Trustee	2015 - present
University of St. La Salle, Bacolod	Trustee	2020 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ASIAN HOSPITAL, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its Implementing Rules and Regulations ("IRR") and other issuances of the Securities and Exchange Commission ("SEC").
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of **ASIAN HOSPITAL, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the IRR of the SRC.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not affiliated with a government agency or a government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **ASIAN HOSPITAL, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this 18 MAR 2024 at MAKATI CITY

Carmelita Quebengco
CARMELITA I. QUEBENGCO

18 MAR 2024 MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ at _____, affiant personally appeared before me and exhibited to me her Senior Citizen ID No. 15632 issued at Paranaque City on 27 November 2007.

Doc. No. 287
Page No. 59
Book No. II
Series of 2023.

KRISHA B. SANTOS
Notary Public in Makati City
Until 31 December 2024
PTR No. 100886267, Exp. 09.2024, Makati City
IBP No. 0045067, Exp. 09.2024, Tausac
Roll of Attorneys No. 81849
Admitted to the Bar on 21 May 2022
MCLN Government Service Order No. 1
Series of 2025, July 4, 2024
Appointment No. 1/535
5th Floor, SEDCO I Bldg., 130 Roldan corner
Legaspi Sta., Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ARTEMIO V. PANGANIBAN, Filipino, of legal age and a resident of 1203 Acacia Street, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ASIAN HOSPITAL, INC.** and have been its independent director since 3 March 2017.
2. I am affiliated with the following companies:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Asian Terminals, Inc.	Independent Director	2010 - present
GMA Holdings, Inc.	Independent Director	2009 - present
GMA Network Inc.	Independent Director	2007 - present
JG Summit Holdings Inc.	Independent Director	2021 - present
Jollibee Foods Corporation	Non-Executive Director	2012 - present
Manila Electric Company	Independent Director	2009 - present
Metro Pacific Investments Corporation	Independent Advisor	2023 - present
Metro Pacific Tollways Corporation	Independent Director	2010 - present
Petron Corporation	Independent Director	2010 - present
PLDT, Inc.	Independent Director	2013 - present
RI Commercial Reit, Inc.	Independent Director	2021 - present
Team Energy Corporation	Independent Director	2015 - present
Metrobank Foundation	Chairman, Board of Advisers	2008 - present
Pan Philippines Resources Corporation	Chairman	1976 - present
Arpan Investment and Management, Inc.	Chairman	1976 - present
Foundation for Liberty and Prosperity	Chairman	2011 - present
Philippine Judges Foundation	Chairman	2015 - present
Manila Metropolitan Cathedral - Basilica Foundation, Inc.	President	2010 - present
Claudio Teehankee Foundation	Vice-Chairman	2015 - present
Tan Yan Ken Foundation, Inc.	Trustee	2014 - present
Metropolitan Bank and Trust Company	Senior Adviser	2007 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
DoubleDragon Properties Corporation	Adviser	2014 - present
MerryMart Consumer Corporation	Adviser	2020 - present
Philippine Dispute Resolution Center, Inc.	Chairman Emeritus	2013 - present
Asean Law Association	Chairman Emeritus, Philippine Chapter	2016 - present
World Bank (Phils.) Advisory Group	Member	2009 - present

**For my full bio-data, log on to my personal website: cpanganiban.com*

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ASIAN HOSPITAL, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its Implementing Rules and Regulations ("IRR") and other issuances of the Securities and Exchange Commission ("SEC").

4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of Metro Pacific Investments Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the IRR of the SRC.
5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court.
6. I am not affiliated with a government agency or a government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of ASIAN HOSPITAL, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this 18 MAR 2024 at MAKATI CITY

ARTEMIO V. PANGANIBAN
18 MAR 2024 at MAKATI CITY affiant

SUBSCRIBED AND SWORN to before me this _____ personally appeared before me and exhibited to me his Passport No. P0388884B issued at DFA Manila on 24 January 2019.

Doc. No. 280
 Page No. 1
 Book No. 1
 Series of 2024.



KRISHA B. SANTOS
 Notary Public for Makati City
 Until 31 December 2024
 PTR No. 10085426/Jan. 10, 2024/Makati City
 IBP No. 502806/Jan. 09, 2024/Tarlac
 Roll of Attorneys No. 81649
 Admitted in the Bar on 24 May 2022
 MCLE Governance Board Order No. 1
 Senate of ABSA, July 4, 2006
 Appointment No. M-535
 5th Floor, SEDOCO Bldg., 120 Roca corner
 Legaspi St., Legaspi Village, Makati City

ANNEX "D"
SEC FORM 17-A AND 2023 AUDITED FINANCIAL STATEMENTS

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON SOLICITED, UPON THE WRITTEN REQUEST OF ANY SUCH PERSON, A COPY OF THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A, WHICH INCLUDES THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023. SUCH WRITTEN REQUEST SHOULD BE DIRECTED TO THE CORPORATE SECRETARY, ASIAN HOSPITAL, INC. THROUGH THE EXECUTIVE OFFICE, 5TH FLOOR, TOWER 2, ASIAN HOSPITAL AND MEDICAL CENTER, 2205 CIVIC DRIVE, FILINVEST CORPORATE CITY, ALABANG, MUNTINLUPA CITY AND/OR BY EMAIL TO AHIAGMINFO@ASIANHOSPITAL.COM.

THE AUDITED FINANCIAL STATEMENTS, NOTICE AND AGENDA AND THIS INFORMATION STATEMENT ARE POSTED ON THE COMPANY'S WEBSITE AND CAN BE ACCESSED AT: [HTTPS://WWW.ASIANHOSPITAL.COM/ANNUAL-MEETING/](https://www.asianhospital.com/annual-meeting/).

ANNEX "E"
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING DATED MAY 2, 2023

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

Held on 2 May 2023
Via videoconference

PRESENT:

TOTAL NUMBER OF SHARES PRESENT OR REPRESENTED AT THE MEETING	1,729,219,684
TOTAL NUMBER OF SHARES OUTSTANDING	1,936,728,391

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 the Philippine Daily Inquirer, both in print and online format, on April 10 and 11, 2023, as required under SEC Notice dated March 13, 2023 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 2023*. 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 1,729,219,684 shares out of the 1,936,728,391 total outstanding shares, which represents at least 89.2856% of the total issued and outstanding capital stock of the Company.

3. Approval of Minutes of the Annual Stockholders' Meeting Held on 2 May 2022

The next item on the agenda is the approval of the minutes of the Annual Stockholders' Meeting held on 2 May 2022. The Chairman informed the stockholders that a copy of the minutes was uploaded to the Hospital's website prior to the meeting.

Dr. Josephine Tuason, a stockholder, moved to approve the minutes of the Annual Stockholders' Meeting held on 2 May 2022. Dr. Edwin Dimatatac, another stockholder, seconded the motion. There being no objection, the Chairman declared the minutes of the Annual Stockholders' Meeting held on 2 May 2022 approved as presented.

4. Report of the President

The President, Dr. Beaver R. Tamesis, updated the stockholders on the operations and performance of the Hospital for 2022. The salient points of his report are as follows:

- The Hospital and its staff exhibited resilience and adaptability in adjusting to the "new normal", i.e. keeping up with fast changing protocols and following national and international updates on health guidelines.
- The Hospital also doubled its efforts in hiring and retaining its nursing workforce, in response to the global crisis worsened by the postponement of the 2021 nursing board examinations and continuing migration of Filipino nurses. The shortage in the nurses as well as allied workforce caused the decline in the number of beds available compared to pre-pandemic numbers. There was also a decline in the practice of the Hospital's doctors. About 20% of doctors and consultants opted to disengage and retire. Despite these, the Hospital continued to thrive by turning these challenges into opportunities for innovation.
- The Hospital garnered a number of recognitions locally and abroad from different bodies such as the HR Excellence Awards Philippines, the Hospital Management Asia Awards, and the Joint Commission International.
- Patient outcomes since 2017 are available on the website of the Hospital. Three relevant matrices were reported on as follows:
 - Pandemic Curve for the period March 2020 to December 2022
 - Intensive Care Unit ("ICU") Standardized Mortality Rate versus Predicted Mortalities for the period January 2020 to March 2023
 - Patient Safety Triggers: (a) unplanned return to the ICU within 48 hours; (b) unplanned return to the Emergency Department ("ED") within 72 hours; (c) unplanned return to the Operating Room ("OR") within 30 days; (d) unplanned hospital readmission within 30 days; (e) unplanned transfer to higher level of care; and (f) post-operative death within 48 hours.
 - As part of its continuous improvement, the Hospital is now using technology for data collection so that the Hospital team can focus on managing high-risk situations. In harnessing a reliable organization, the Hospital has been striving to maximize the use of technology to increase

efficiency and to strengthen the commitment to achieving zero harm.

- The Hospital's road to digitization was strengthened further in 2022. The Hospital sealed its commitment towards electronic medical records ("EMR"). The doctors, nurses, and the Hospital's medical informatics team have been working together closely for the groundwork. Clinical templates for the Hospital's information system were developed, and user-acceptance testing for these templates were done. In 2023, the target is for all the consultants to utilize the EMR using their own devices even outside the Hospital.
- **Safe and comfortable facilities**
 - The Pediatric Ward was re-opened with themed rooms.
 - The Hospital has started grouping patients with similar needs together to improve efficiency. A wing has been dedicated to Health Maintenance Organization ("HMO") patients with a satellite business office with billing, PhilHealth submissions, and cashier capabilities, to improve turnaround time for discharges. The HMO Wing was planned in 2022 and opened in February 2023.
- There had been improvements in overall patient experience. Patient Satisfaction Score for 2022 reached 66%, which is 6% higher than 2021, and almost reaching the global standard of 70%.
- In June 2022, employee activities were revived through the "Happy @ Work" campaign led by the Hospital's Human Resources Department.
- **Social Responsibility through Asian Hospital Charities' programs**
 - Medical Access Program ("MAP") in partnership with the Hospital's residency training program. The MAP also includes the Childhood Cancer Medicines Access Program and the Telemedicine Program in Brgy. Buli and Sitio Acero in Muntinlupa.
 - Community Health Initiative Program in partnership with the local government unit and the community. A key activity is the yearlong set of activities with Marillac Hills.
- The Hospital supported the doctors and allied health professionals in prioritizing continuous learning and education.
 - The 5th Yearly Innovation Summit was held in January 2022.
 - Ten post-graduate courses were carried out in 2022. These are in addition to multidisciplinary conferences regularly held for healthcare professionals.
 - Nursing simulators were acquired from the US in 2022. A dedicated simulation room is being developed.
 - The "Nursing Daisy Award" was launched to honor nurses who have exhibited exemplary clinical skills and have shown outmost compassion and a caring attitude.
- The Hospital has developed affordable surgical packages inclusive of hospital bill and professional fees through partner HMOs. More affordable surgical packages are also currently under development and will be launched in 2023.
- **Business Performance for 2022**
 - Gross revenue is approximately Php 4.2 billion.

- o Net profit after tax ("NPAT") increased by 43% compared to 2021.
- The historical dividend for the last 5 years was reported as follows:

Year	Declaration Date	Div Per Share	Total Dividends	NPAT/Pay-out ratio	Payment Date
2017	Apr 30, 2018	P0.060	P116,203,703	P465.2	May 30, 2018
	Nov 15, 2018	0.036	P69,722,222	(40%)	Dec 14, 2018
		P0.096	P185,925,925		
2018	Apr 30, 2019	P0.062	P120,077,160	P484.9	May 30, 2019
	Nov 26, 2019	0.062	120,077,160	(50%)	Dec 19, 2019
		P0.124	P240,154,320		
2019	Nov 25, 2020	P0.067	P129,760,802	P515.0	Dec 18, 2020
				(23%)	
2020	Nov 15, 2021	P0.027	P52,291,667	P104.6	Dec 15, 2021
				(50%)	
2021	May 2, 2022	P0.082	P158,811,728	P319.7	May 27, 2022
	Dec 1, 2022	P0.082	158,811,728	(99%)	Dec 21, 2022
		P0.164	P317,623,456		
2022	May 2, 2023	P0.119	P230,470,679	P459.4	May 26, 2023
				(50%)	

- o Should the current cash flow remain to be strong towards yearend, the Board of Directors will reconsider and revisit whether the remaining 50% will be paid out.
- 2023 landscape: "Sulit na Serbisyo" through its (a) global standards of quality and safety; (b) safe and comfortable facilities; (c) caring healthcare team; (d) expert doctors and allied staff; and (e) affordable packages.
- A video on the Hospital's "Sulit" campaign to be launched this month was presented to end the report.

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.

Dr. Tuason commented that, in connection with the patient satisfaction survey, there should be a physicians' satisfaction survey presented during next year's annual stockholders' meeting. She also commented that, although she was pleased with the low mortality rate in the ICU, in her experience as a clinician and as an admitting doctor to the ICU, most of the patients who are about to die/not expected to survive and/or under "do not resuscitate" ("DNR") status are actually transferred out of the ICU and into the wards; hence, the clinical doctors may have a different formula as regards the ICU mortality rate, and thus, she asked that this be explained.

Dr. Tamesis acknowledged the points raised regarding the physicians' satisfaction survey. He stated that management is embarking on several programs designed specifically to further engage the medical community. He hoped that these mechanisms would be able to capture the physicians' feedback.

As regards the concern on the ICU mortality rate, Dr. Tamesis responded that what was reported was based on what the global standards

require. He added, however, that Dr. Tuason's concern will be raised with the Office of the Chief Medical Officer, which monitors the standards. Management will also take a look into refining the measurements.

Jose M. Acuin, the Chief Medical Officer, also commented that Metro Pacific Health ("MPH"), the Hospital's parent company, has administered a doctor satisfaction questionnaire across its subsidiaries, including the Hospital. He added, however, that the Hospital will be glad to administer the questionnaire again, especially to those who were not able to respond previously. The net promoter score among the Hospital's doctors was about 52%. As regards the concern on the ICU mortality rate, Dr. Joan Robles explained that even those patients taken out of the ICU because of their DNR statuses are also recorded, so they are part of the calculations even if they did not die in the ICU.

Dr. Tuason asked whether the Hospital conducted its own doctor satisfaction survey, separate from MPH, and exclusively for its doctors. Dr. Acuin answered that the Hospital intends to adopt MPH's survey to make the results comparable with all the subsidiaries of MPH. He added, however, that the Hospital may add more questions to the survey tool of MPH to adapt it to the Hospital's needs.

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, 2022

The next item on the agenda is the approval of the Audited Financial Statements of the Company for the year ending December 31, 2022, 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.

Dr. Hazel Marie Tala moved to approve the Audited Financial Statements of the Company for the year ending December 31, 2022. Dr. Tuason seconded the motion. There being no objection, the Chairman declared the Audited Financial Statements of the Company for the year ending December 31, 2022, approved by the stockholders.

6. Ratification of Corporate Acts Since 2 May 2022

The next item on the agenda is the ratification of the acts of the Board of Directors and management of the Company since 2 May 2022, as set forth in the minutes of the meetings of the Board of Directors held during the same period.

Dr. Tala moved to ratify all of the acts of the Board of Directors and management of the Company from 2 May 2022 to the present. Dr. Dimatatac 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 2 May 2022 to the present, ratified and approved by the stockholders.

7. Election of Directors for the Year 2023-2024 (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 2023-2024, 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 2 May 2022. 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 other things, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education sessions attended, and their board representations in other corporations.

Dr. Tuason moved to declare all nominees re-elected as directors of the Company, to serve as such for the year 2023-2024. Dr. Dimatatac seconded the motion. There being no objection, the Chairman declared the aforementioned nominees re-elected as directors of the Company to serve as such for the year 2023-2024 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 2023-2024.

Dr. Tala moved to re-appoint Sycip Gorres Velayo & Co. as the external auditors of the Company for the year 2023-2024. Dr. 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 2023-2024.

9. Adjournment

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

ATTEST:

AUGUSTO P. PALISOC, JR.
Chairman of the Board

GILBERT RAYMUND T. REYES
Corporate Secretary

1664.20.01
MDE/1664.20.01/AHI/Minutes of the AHI - 2023 ARM

ANNEX "F"
ASIAN HOSPITAL, INC.
VIRTUAL ANNUAL STOCKHOLDERS' MEETING

RECORD DATE: 12 APRIL 2024

**REQUIREMENTS AND PROCEDURES FOR REGISTRATION
AND ELECTRONIC VOTING IN ABSENTIA**

Please be advised that the Annual Meeting of the stockholders of **ASIAN HOSPITAL, INC.** will be held on Tuesday, April 30, 2024 at 1:00 P.M.

In order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy.

Registration Period

Registration to vote in absentia or via an absentee ballot may be made through the Company's Electronic Voting in Absentia System at:

https://us06web.zoom.us/webinar/register/WN_wlw5_h1wTyuXu4nP_biH4w
(the "Website")

from 5:00 P.M. of April 12, 2024 until 5:00 P.M. of April 24, 2024 (the "Registration Period"). Beyond this time and date, a Stockholder may no longer be allowed to participate in the Annual Meeting of the stockholders.

Alternatively, a Stockholder or his or her representative may obtain a copy of the registration form from the Company's Corporate Affairs Department located at 6F Asian Hospital Tower 2, from April 12, 2024 until April 24, 2024, from 8:00 A.M. until 5:00 P.M.

Registration Requirements

For Individual Stockholders

1. Completion of pre-registration form which will require the following information:
 - a. Full name of the stockholder;
 - b. Valid and current email address;
 - c. Valid and current contact number, including the area code (landline or mobile number);
 - d. Present address; and
 - e. Stock Certificate number or Stockholder number.

2. Submission of signed registration form (to the extent that not all information has been provided or there are lacking requirements) and proxy form (if applicable) personally or by email to the Company's Stock Transfer Agent within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m. at:

PROFESSIONAL STOCK TRANSFER INC.
10th Floor Telecom Plaza, 316 Gil Puyat Avenue, Makati City
Telephone Number: (632) 8687-4053

Look for: Ms. Hilda Amion or Ms. Edelyn Jimeno
(Email Address: hilda.amion@professionalstocktransfer.com or
edelyn.jimeno@professionalstocktransfer.com)

For Corporate Stockholders

1. Completion of online pre-registration form which will require the following information:

- a. Complete name of the stockholder;
- b. Full name of the stockholder's Authorized Representative;
- c. Valid and current email address of the stockholder's Authorized Representative;
- d. Valid and current contact number, including the area code (landline or mobile number) of the stockholder's Authorized Representative;
- e. Present address of the corporate Stockholder. and
- f. Stock Certificate number or Stockholder number.

2. Submission of signed registration form (to the extent that not all information has been provided or there are lacking requirements), proxy form (if applicable), and the Secretary's Certificate or equivalent document (in case of a non-resident stockholder) attesting to the authority of the Authorized Representative to vote for and on behalf of the corporate Stockholder personally or by email to the Company's Stock Transfer Agent within the Registration Period, Monday to Friday, from 9:00 a.m. to 5:00 p.m. at:

PROFESSIONAL STOCK TRANSFER INC.
10th Floor Telecom Plaza, 316 Gil Puyat Avenue, Makati City
Telephone Number: (632) 8687-4053
Look for: Ms. Hilda Amion or Ms. Edelyn Jimeno
(Email Address: hilda.amion@professionalstocktransfer.com or
edelyn.jimeno@professionalstocktransfer.com)

Registration Procedure

A. Online

1. Log in into the Electronic Voting in Absentia System at:

https://us06web.zoom.us/webinar/register/WN_wlw5_h1wTyuXu4nP_biH4w

Please ensure that you have prepared the necessary information and requirements.

2. Enter the information required in the respective fields. When all information has been entered, please click the "Register" button.

3. You will receive an email from ahiagminfo@asianhospital.com confirming receipt of your pre-registration and providing the instructions on how to submit the Registration Requirements above-mentioned to the Stock and Transfer Agent.

4. The Stock and Transfer Agent will verify the information and the documents submitted. If the information and/or documents is incomplete, the Stockholder will receive an email from ahiagminfo@asianhospital.com requiring the submission of additional information and/or further documents.

5. Upon verification and clearance by the Stock and Transfer Agent, the stockholder will receive a second email from ahiagminfo@asianhospital.com containing the unique access code to the virtual annual stockholders meeting.

B. Onsite

1. Obtain a copy of the registration form at:

Corporate Affairs Department
6th Floor, Tower 2, Asian Hospital and Medical Center
(02) 8-771-9000 locals 5982, 8017, and 8094
2205 Civic Drive, Filinvest City, Alabang
Muntinlupa City, 1780 Philippines

2. Fill in the registration form with the information required in the respective fields.

3. Submit a scanned copy of the completed registration form to ahiagminfo@asianhospital.com or submit the completed registration form to the Corporate Affairs Department.

4. You will receive an email from ahiagminfo@asianhospital.com confirming receipt of your pre-registration and providing the instructions on how to submit the Registration Requirements above-mentioned to the Stock and Transfer Agent.

5. The Stock and Transfer Agent will verify the information and the documents submitted. If the information and/or documents is incomplete, the Stockholder will receive an email from ahiagminfo@asianhospital.com requiring the submission of additional information and/or further documents.

6. Upon verification and clearance by the Stock and Transfer Agent, the stockholder will receive a second email from ahiagminfo@asianhospital.com containing the unique access code to the virtual annual stockholders meeting.

Reminders:

- A Stockholder's online registration cannot be completed if any of the mandatory requirements is not submitted.
- Only Stockholders who submitted the complete requirements thru the Website, ahiagminfo@asianhospital.com, or the Corporate Affairs Department by April 24, 2024, 5:00 P.M. are entitled to participate in the 2024 Annual Meeting of stockholders.
- Please take note of your unique access link and keep it in a safe place.
- In case of any issues relating to your registration in the Website, or in case you lose your unique access link, please send an email to ahiagminfo@asianhospital.com.

Verification of Stockholder Registrations

The Company or its Stock Transfer Agent shall verify the information and details submitted through the Electronic Voting in Absentia System, through ahiagminfo@asianhospital.com, or through the Corporate Affairs Department starting on April 13, 2024 at 8:00 A.M.

After verification of complete submission of the required information and documents, the Stockholder shall receive an e-mail through the stockholder's registered e-mail address confirming registration. Such e-mail confirmation shall also contain a unique access code per stockholder.

Please call or contact the Company's Stock Transfer Agent or ahiagminfo@asianhospital.com in case you have not received any notification by April 24, 2024.

Conduct of the Annual Meeting

The Annual Meeting of the stockholders shall be broadcasted online. The procedure for online voting shall be emailed to the Stockholders who successfully registered before the expiration of the Registration Period.

Data Privacy

Each individual Stockholder's (or that of the corporate Stockholder's Authorized representative) data will be collected, stored, processed and used exclusively for the purposes of the Annual Meeting of the stockholders. Personal information will be processed in accordance with the Philippine Data Privacy Act of 2012 and applicable regulations. The detailed data privacy policy of the Company may be accessed in the Website.

ANNEX "G"
ASIAN HOSPITAL, INC.
2023 AUDITED FINANCIAL STATEMENTS

[PLEASE SEE ATTACHED DOCUMENT]

Asian Hospital, Inc.
(A Subsidiary of Metro Pacific Health Corporation)

Financial Statements
As at December 31, 2023 and 2022
and for the Years Ended December 31, 2023,
2022 and 2021

and

Independent Auditor's Report





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Asian Hospital, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asian Hospital, Inc. (a subsidiary of Metro Pacific Health Corporation) (the Company) which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



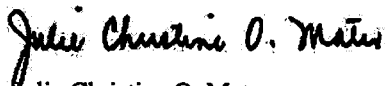
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Asian Hospital, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Julie Christine O. Mateo

Partner

CPA Certificate No. 93542

Tax Identification No. 198-819-116

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10079988, January 6, 2024, Makati City

February 20, 2024



ASIAN HOSPITAL, INC.
(A Subsidiary of Metro Pacific Health Corporation)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱1,400,291,603	₱1,017,269,222
Receivables (Notes 5 and 22)	528,936,589	366,494,858
Inventories (Note 6)	178,621,082	164,156,796
Other current assets (Note 7)	51,813,712	35,030,147
Total Current Assets	2,159,662,986	1,582,951,023
Noncurrent Assets		
Property and equipment (Note 8)	4,036,275,297	3,919,303,131
Deferred income tax assets - net (Note 19)	117,264,124	119,724,657
Other noncurrent assets (Note 9)	80,899,491	67,205,778
Total Noncurrent Assets	4,234,438,912	4,106,233,566
TOTAL ASSETS	₱6,394,101,898	₱5,689,184,589
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 10, 12 and 22)	₱1,064,133,664	₱776,729,981
Income tax payable	95,298,555	45,900,002
Due to a related party (Note 22)	20,818,444	10,292,168
Total Current Liabilities	1,180,250,663	832,922,151
Noncurrent Liabilities		
Accrued retirement benefits liability - net (Note 18)	80,583,240	49,668,781
Lease liability - net of current portion (Notes 23 and 24)	-	2,164,796
Total Noncurrent Liabilities	80,583,240	51,833,577
Total Liabilities	1,260,833,903	884,755,728
Equity		
Capital stock [held by 611 equity holders in 2023 and 2022, respectively] (Note 11)	1,935,520,327	1,934,745,019
Additional paid-in capital	185,465,780	185,465,780
Retained earnings (Note 11)	3,033,296,463	2,685,216,308
Other comprehensive loss - net of tax (Notes 9, 11 and 18)	(21,014,575)	(998,246)
Total Equity	5,133,267,995	4,804,428,861
TOTAL LIABILITIES AND EQUITY	₱6,394,101,898	₱5,689,184,589

See accompanying Notes to Financial Statements.



ASIAN HOSPITAL, INC.
(A Subsidiary of Metro Pacific Health Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE (Note 12)	₱4,462,448,455	₱3,701,553,463	₱3,583,264,672
COST OF SERVICES AND SALES (Note 13)	(2,564,833,097)	(2,220,472,075)	(2,147,805,839)
GROSS PROFIT	1,897,615,358	1,481,081,388	1,435,458,833
Operating expenses (Note 14)	(1,038,450,887)	(960,444,520)	(1,044,422,200)
Other operating income - net (Note 15)	59,970,746	88,612,043	52,891,717
OPERATING INCOME	919,135,217	609,248,911	443,928,350
Interest income (Notes 4 and 5)	20,876,268	4,477,770	1,275,533
Finance costs (Note 16)	(4,244,316)	(1,453,257)	(1,217,218)
INCOME BEFORE INCOME TAX	935,767,169	612,273,424	443,986,665
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	232,015,020	136,496,847	131,214,675
Deferred	9,965,976	16,382,397	(6,958,082)
	241,980,996	152,879,244	124,256,593
NET INCOME	693,786,173	459,394,180	319,730,072
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of taxes (Notes 9, 11 and 18)	(20,016,329)	(16,223,054)	15,335,730
TOTAL COMPREHENSIVE INCOME	₱673,769,844	₱443,171,126	₱335,065,802
BASIC/DILUTED EARNINGS PER SHARE (Note 25)	₱0.3582	₱0.2372	₱0.1651

See accompanying Notes to Financial Statements.



ASIAN HOSPITAL, INC.*(A Subsidiary of Metro Pacific Health Corporation)***STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	Capital Stock (Note 11)	Additional Paid-in Capital	Retained Earnings (Note 11)	Other Comprehensive Income (Loss) - net of tax (Notes 9, 11 and 18)	Total
BALANCES AT DECEMBER 31, 2020	₱1,933,915,417	₱185,465,780	₱2,276,007,179	(₱110,922)	₱4,395,277,454
Application of dividends against subscriptions receivable (Note 11)	117,274	-	-	-	117,274
Net income	-	-	319,730,072	-	319,730,072
Other comprehensive loss (Notes 9, 11 and 18)	-	-	-	15,335,730	15,335,730
Total comprehensive income	-	-	319,730,072	15,335,730	335,065,802
Total before dividend declaration	1,934,032,691	185,465,780	2,595,737,251	15,224,808	4,730,460,530
Cash dividends (Note 11)	-	-	(52,291,667)	-	(52,291,667)
BALANCES AT DECEMBER 31, 2021	1,934,032,691	185,465,780	2,543,445,584	15,224,808	4,678,168,863
Application of dividends against subscriptions receivable (Note 11)	712,328	-	-	-	712,328
Net income	-	-	459,394,180	-	459,394,180
Other comprehensive loss (Notes 9, 11 and 18)	-	-	-	(16,223,054)	(16,223,054)
Total comprehensive income (loss)	-	-	459,394,180	(16,223,054)	443,171,126
Total before dividend declaration	1,934,745,019	185,465,780	3,002,839,764	(998,246)	5,122,052,317
Cash dividends (Note 11)	-	-	(317,623,456)	-	(317,623,456)
BALANCES AT DECEMBER 31, 2022	1,934,745,019	185,465,780	2,685,216,308	(998,246)	4,804,428,861
Application of dividends against subscriptions receivable (Note 11)	775,308	-	-	-	775,308
Net income	-	-	693,786,173	-	693,786,173
Other comprehensive loss (Notes 9, 11 and 18)	-	-	-	(20,016,329)	(20,016,329)
Total comprehensive income (loss)	-	-	693,786,173	(20,016,329)	673,769,844
Total before dividend declaration	1,935,520,327	185,465,780	3,379,002,481	(21,014,575)	5,478,974,013
Cash dividends (Note 11)	-	-	(345,706,018)	-	(345,706,018)
BALANCES AT DECEMBER 31, 2023	₱1,935,520,327	₱185,465,780	₱3,033,296,463	(₱21,014,575)	₱5,133,267,995

See accompanying Notes to Financial Statements.

ASIAN HOSPITAL, INC.
(A Subsidiary of Metro Pacific Health Corporation)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P935,767,169	P612,273,424	P443,986,665
Adjustments for:			
Depreciation and impairment loss (Notes 8 and 9)	378,256,083	365,757,138	344,594,030
Amortization of software and licenses (Note 9)	15,658,097	12,966,263	7,402,284
Retirement benefits cost (Notes 17 and 18)	11,114,159	9,568,309	16,186,478
Provision for inventory obsolescence (Note 6)	6,006,172	2,930,727	3,845,131
Interest expense (Notes 16, 18 and 23)	3,757,778	1,126,169	929,035
Unrealized foreign exchange loss (gain) - net	1,637,246	(14,159,125)	(6,176,393)
Provision for expected credit losses (Notes 5 and 14)	125,556	-	188,400,074
Interest income (Notes 4 and 5)	(20,876,268)	(4,477,770)	(1,275,533)
(Gain)/loss on disposal of property and equipment (Notes 8 and 15)	(1,045,277)	61,179	26,441
Operating income before working capital changes and provisions	1,330,400,715	986,046,314	997,918,212
Decrease (increase) in:			
Receivables	(161,695,898)	1,291,399	(223,054,148)
Inventories	(20,470,458)	64,460,317	(4,914,741)
Other current assets	(16,783,565)	(5,497,133)	1,511,789
Increase (decrease) in:			
Accounts payable and other current liabilities	166,346,140	100,596,096	19,038,259
Due to a related party	10,526,276	(1,872,894)	(3,661,387)
Cash generated from operations	1,308,323,210	1,145,024,099	786,837,984
Interest received	20,876,268	4,477,770	1,275,533
Contribution to the retirement fund and benefits paid (Note 18)	(13,763,221)	(14,070,493)	(19,348,396)
Income taxes paid, including creditable withholding tax	(182,616,467)	(156,770,179)	(129,431,931)
Net cash from operating activities	1,132,819,790	978,661,197	639,333,190
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Notes 8 and 24)	(374,892,689)	(332,442,329)	(251,312,675)
Software and licenses (Notes 9 and 24)	(20,025,502)	(31,140,462)	(4,248,076)
Proceeds from disposal of property and equipment (Note 8)	2,973,889	1,432,661	25,447
Decrease (increase) in:			
Advances to contractors	(6,165,805)	20,884,930	(28,504,908)
Other noncurrent assets	(88,582)	(152,807)	55,000
Net cash used in investing activities	(398,198,689)	(341,418,007)	(283,985,212)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payments of:			
Dividends (Notes 11 and 24)	(344,930,710)	(316,911,128)	(52,174,393)
Lease liability (Note 23)	(4,159,375)	(4,235,000)	(3,850,000)
Interest (Note 10)	-	(17,223)	-
Cash used in financing activities	(349,090,085)	(321,163,351)	(56,024,393)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(2,508,635)	14,603,406	5,796,747
NET INCREASE IN CASH AND CASH EQUIVALENTS	383,022,381	330,683,245	305,120,332
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,017,269,222	686,585,977	381,465,645
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P1,400,291,603	P1,017,269,222	P686,585,977

See accompanying Notes to Financial Statements.



ASIAN HOSPITAL, INC.

(A Subsidiary of Metro Pacific Health Corporation)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of Financial Statements

Corporate Information

Asian Hospital, Inc. (AHI or the Company) is a stock corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on December 12, 1994. Its primary purpose is to operate and manage tertiary hospitals and other allied undertakings and services.

In 2012, a mandatory tender offer for the 43.50% stake held by the Company's non-controlling investors was launched by the Company's former parent, Metro Pacific Investments Corporation (MPIC). The mandatory tender offer was completed on April 19, 2012. Correspondingly, Metro Pacific Health Corporation (MPHC, formerly Metro Pacific Hospital Holdings, Inc.), a former 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.

On May 20, 2014, MPHC acquired from MPIC additional shares in AHI which resulted to an increase in MPHC's ownership in AHI to 58.1%. In addition, MPHC also acquired 100% of the outstanding capital stock of Bumrungrad International Philippines, Inc. (BIPI) on July 1, 2014. BIPI has legal and beneficial ownership in AHI of 27.5%. As at December 31, 2018, MPHHI effectively owns 85.6% of AHI.

MPHC is incorporated in the Philippines and its registered office address is 5th Floor Tower 1, Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City. On September 14, 2022, MPHC filed for an amendment in its articles of incorporation to change its corporate name from Metro Pacific Hospital Holdings, Inc. to MPHC. On February 10, 2023, the SEC approved the amendment.

The registered business address of the Company is 2205 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City.

Authorization for Issuance of Financial Statements

The financial statements were authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2. Summary of Material Accounting Policy Information

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 2023. 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 financial statements of the Company.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Financial Instruments: Financial Assets

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. As at December 31, 2023 and 2022, the Company’s financial assets at amortized cost includes cash in bank and cash equivalents, receivables and refundable deposits included under “Other noncurrent assets” in the statements of financial position (see Notes 4, 5 and 9).

Financial assets designated at FVOCI (equity instruments)

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in Other Comprehensive Income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity investments under this category as the Company considers these investments to be strategic in nature.



As at December 31, 2023 and 2022, the Company's financial assets at FVOCI includes investment in shares included under "Other noncurrent assets" in the statements of financial position (see Note 9).

Impairment of financial assets

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

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

Financial Instruments: Financial Liabilities

Financial liabilities at amortized cost

This is the category most relevant to the Company. As of December 31, 2023, and 2022, the Company's accounts payable and other current liabilities (excluding statutory payables and contract liabilities), due to a related party and lease liability are classified under this category (see Notes 10, 22 and 23).

Inventories

Cost is the purchase cost determined using weighted average method for medicines and medical supplies.

Property and Equipment

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Number of Years</u>
Buildings	40
Building equipment	15 to 25
Building improvements	5
Medical equipment and instruments	2 to 20
Hospital furniture, fixtures and equipment	3 to 20
Office furniture and equipment	5 to 20

Construction in progress and equipment for installation are stated at cost less any impairment in value. These include cost of construction, equipment, borrowing costs and other direct costs.



Software and Licenses

Following initial recognition, software and licenses are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method over its estimated useful life of five (5) years.

Investment Properties

Investment properties, pertaining to a condominium unit, included under “Other noncurrent assets” in the statement of financial position, are measured initially at cost, including transaction costs.

Subsequent to initial recognition, it is stated at cost less accumulated depreciation and any impairment in value.

Depreciation on the investment property is calculated using the straight-line method over the estimated useful life of twenty-five (25) years.

Revenue Recognition

The Company has generally concluded that it is principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Patient service revenue

Patient service revenue qualifies for revenue recognition over time under paragraph 35(a) of PFRS 15 because the patient simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs. The Company elects to use the right to invoice practical expedient in recognizing revenue because the Company has a right to consideration from the patient in an amount that corresponds directly with the value to the patient of the Company’s performance completed to date. Payment is due once the Company satisfies its performance obligation except for certain corporate customers which are allowed to settle the payment within 30-90 days.

Pharmacy sales

The Company assessed pharmacy sales to be either combined as one performance obligation with the healthcare services if the medicines are part of a series of distinct goods and services which cannot be separately identified or as a separate performance obligation if the patient can benefit solely from the goods, are readily available to the patient and separately identifiable from other goods and services of the Company. In the former case, pharmacy sales shall have the same measure of progress as the inpatient service revenue (i.e., over time) while in the latter, revenue shall be recognized as these are sold outright (i.e., point in time).

In determining the transaction price for the sale of healthcare services and goods, the Company considers the effects of any variable consideration such as discounts, rebates and implicit price concession. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Leases

The Company as a lessee

The Company has certain leases of machineries, office equipment, and parking lots and spaces of land. Generally, the leases have lease terms of one year or less and are renewable under certain terms and conditions to be mutually agreed upon by the parties. The Company applies the “short-term lease” and “lease of low-value assets” recognition exemptions for these leases. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.



3. Management's Use of Material Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the financial statements as they become reasonably determinable.

Judgments

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

Determination of whether the Company is acting as principal or agent

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal on all of its revenue arrangements because the Company is the primary obligor who is responsible for providing the services to the patients and the Company bears the credit risk. The Company presents its revenues from pharmacy and hospital services, net of applicable discounts.

The Company as a lessee

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment. It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱0.3 million). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company as a lessor

The Company has entered into commercial property leases on its investment property and concessionaire agreements with various business entities on certain areas of its building. The Company has determined that it retains all the significant risks and rewards of ownership of its investment property and certain areas of its building which are leased out on operating leases. Contingent rents are recognized as income in the period in which they are earned.



Accounting Estimates and Assumptions

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

Provision for ECL of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the correlation between observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

In its ECL model, the Company relies on a broad range of forward-looking information as economic inputs such as gross domestic product and inflation. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Provision for ECL amounted to ₱0.1 million and ₱188.4 million in 2023 and 2021, respectively, and nil in 2022 (see Note 14). Receivables, net of allowance for ECL, amounted to ₱528.9 million and ₱366.5 million as at December 31, 2023 and 2022, respectively (see Note 5).

Estimation of allowance for inventory losses

Provisions are made for expired and slow-moving medicines and medical supplies pending disposal. Medicines and medical supplies, net of allowance for inventory losses, amounted to ₱178.6 million and ₱164.2 million as at December 31, 2023 and 2022, respectively. Inventory write-off amounted to ₱4.2 million and ₱5.9 million as at December 31, 2023 and 2022, respectively (see Note 6).

Provision for inventory obsolescence amounted to ₱6.0 million, ₱2.9 million and ₱3.8 million in 2023, 2022 and 2021, respectively (see Notes 6 and 13).

Estimation of impairment of property and equipment, right-of-use asset, investment properties, and software and licenses

The Company assesses the impairment of property and equipment, right-of-use asset, investment properties, and software and licenses whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's net selling price and value-in-use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.



No impairment loss was recognized on property and equipment, including right-of-use asset, investment properties, and software and licenses in 2023, 2022 and 2021 (see Notes 8 and 9). Accumulated impairment losses on property and equipment amounted to ₱0.1 million as at December 31, 2023 and 2022 (see Note 8).

As at December 31, 2023, the carrying values of property and equipment, investment properties, and software and licenses amounted to ₱4,036.3 million, ₱2.0 million and ₱28.8 million, respectively, while their carrying values as at December 31, 2022 amounted to ₱3,919.3 million, ₱2.2 million and ₱23.5 million, respectively (see Notes 8 and 9).

Recognition of deferred income tax assets

The Company reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

Management recognized deferred income tax assets amounting to ₱118.3 million and ₱123.7 million as at December 31, 2023 and 2022, respectively, because management expects to realize their benefits in the future (see Note 19).

Estimation of retirement benefits cost

The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, accrued retirement benefits liability are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Net retirement benefit cost recognized in profit or loss amounted to ₱11.1 million, ₱9.6 million and ₱16.2 million in 2023, 2022 and 2021, respectively, while net interest expense from retirement benefit cost amount to ₱3.5 million, ₱0.9 million and ₱0.7 million in 2023, 2022 and 2021, respectively (see Notes 17 and 18). Actuarial gain on accrued retirement benefits liability net of tax recognized in OCI amounted to ₱15.9 million in 2021 and actuarial loss on accrued retirement benefits liability, net of tax, recognized in OCI amounted to ₱22.5 million and ₱24.9 million in 2023 and 2022, respectively (see Note 18). As at December 31, 2023 and 2022, accrued retirement benefits liability amounted to ₱80.6 million and ₱49.7 million, respectively (see Note 18).

Contingencies

The Company is a party in various lawsuits, the outcome of which is presently undeterminable. All such cases are in the normal course of business and are not deemed to be considered as material legal proceedings. Further, these cases are either pending in courts or under protest, the outcome of which are not presently determinable. Management and its legal counsel believe that the liability, if any, that may result from the outcome of these litigations and claims will not materially affect their financial position or performance.



4. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	₱752,262,688	₱804,840,474
Time deposit	648,028,915	212,428,748
	₱1,400,291,603	₱1,017,269,222

Cash and cash equivalents include cash in banks and temporary placements that are made for varying periods up to three months depending on the immediate cash requirements of the Company. Cash in banks earn interest at the prevailing bank rates.

Interest income earned from cash in banks and cash equivalents amounted to ₱20.5 million, ₱3.8 million and ₱1.1 million in 2023, 2022 and 2021, respectively.

5. Receivables

	2023	2022
Trade:		
Health maintenance organizations (HMO)	₱226,675,143	₱115,458,513
Philippine Health Insurance Corporation (PhilHealth)	187,695,948	315,431,108
Self-pay	151,826,045	131,525,537
Corporate accounts	96,638,348	48,713,719
International insurance	56,607,635	17,270,744
Others	35,915,019	29,370,448
Nontrade	40,903,693	36,946,110
	796,261,831	694,716,179
Less allowance for ECL	267,325,242	328,221,321
	₱528,936,589	₱366,494,858

Movements in the allowance for ECL follow:

	2023	2022
Beginning balances	₱328,221,321	₱382,093,621
Provision for ECL (Note 14)	125,556	-
Write off	(61,021,635)	(53,872,300)
Ending balances	₱267,325,242	₱328,221,321

The Company's outstanding trade receivables from related parties amounted to ₱47.3 million and ₱5.4 million as at December 31, 2023 and 2022, respectively (see Note 22).

Interest income earned from late payment charges totaled ₱0.4 million, ₱0.7 million and ₱0.2 million in 2023, 2022 and 2021, respectively.

Accounts provided with allowance were evaluated on a continuous basis and specifically identified by management on the basis of factors that affect the collectability of each account.



6. Inventories

	2023	2022
At Cost:		
Medicines	₱74,753,601	₱56,865,399
Medical supplies	113,340,843	114,954,567
	188,094,444	171,819,966
Less allowance for inventory obsolescence	9,473,362	7,663,170
	₱178,621,082	₱164,156,796

The cost of medicines and medical supplies carried at net realizable value amounted to ₱9.5 million and ₱7.7 million as at December 31, 2023 and 2022, respectively. All inventories carried at net realizable value were fully provided with allowance.

Movements in the allowance for inventory obsolescence accounts follow:

	2023	2022
Beginning balance	₱7,663,170	₱10,617,532
Provision for inventory obsolescence (Note 13)*	6,006,172	2,930,727
Write off	(4,195,980)	(5,885,089)
	₱9,473,362	₱7,663,170

*Presented as "Others - net" under "Cost of Services and Sales".

7. Other Current Assets

	2023	2022
Prepaid expenses	₱36,667,090	₱23,347,234
Creditable withholding tax (CWT)	15,146,622	11,536,648
Input VAT	-	146,265
	₱51,813,712	₱35,030,147

Prepaid expenses mainly pertain to advance payments for subscription, insurance and supplies.

CWT represents amount withheld by counterparty for services rendered by the Company which can be claimed as tax credits.

Input VAT pertains to VAT imposed on purchases of services. These are expected to be offset against output VAT arising from the Company's revenue/income subject to VAT in the future.



8. Property and Equipment

As at December 31, 2023:

	Land	Buildings	Building Equipment	Building Improvements	Medical Equipment and Instruments	Hospital Furniture, Fixtures and Equipment	Office Furniture and Equipment	Right-of-use Asset	Construction in Progress and Equipment for Installation	Total
Cost										
Beginning balances	P506,088,432	P3,316,316,090	P1,169,299,848	P266,692,410	P2,498,014,342	P524,294,024	P107,734,473	P17,478,693	P-	P8,405,918,312
Additions	-	-	19,464,000	14,167,963	220,706,616	54,896,287	6,108,474	-	182,748,568	498,091,908
Reclassifications	-	54,363,108	5,093,921	-	-	-	-	-	(59,457,029)	-
Disposals	-	-	-	-	(27,847,745)	(10,136,051)	(1,057,764)	-	-	(39,041,560)
Ending balances	506,088,432	3,370,679,198	1,193,857,769	280,860,373	2,690,873,213	569,054,260	112,785,183	17,478,693	123,291,539	8,864,968,660
Accumulated Depreciation										
Beginning balances	-	1,053,202,909	693,697,256	253,141,853	1,958,138,559	424,408,710	93,045,387	10,862,107	-	4,486,496,781
Depreciation (Notes 13 and 14)	-	91,145,953	50,755,865	5,151,836	174,636,101	45,306,916	6,915,563	4,178,896	-	378,091,130
Disposals	-	-	-	-	(26,280,154)	(8,677,230)	(1,055,564)	-	-	(36,012,948)
Ending balances	-	1,144,348,862	744,453,121	258,293,689	2,106,494,506	461,038,396	98,905,386	15,041,003	-	4,828,574,963
Accumulated Impairment Losses										
Beginning balances	-	-	-	-	10,983	3,884	103,533	-	-	118,400
Ending balances	-	-	-	-	10,983	3,884	103,533	-	-	118,400
Net Book Value	P506,088,432	P2,226,330,336	P449,404,648	P22,566,684	P584,367,724	P108,011,980	P13,776,264	P2,437,690	P123,291,539	P4,036,275,297

As at December 31, 2022:

	Land	Buildings	Building Equipment	Building Improvements	Medical Equipment and Instruments	Hospital Furniture, Fixtures and Equipment	Office Furniture and Equipment	Right-of-use Asset	Construction in Progress and Equipment for Installation	Total
Cost										
Beginning balances	P506,088,432	P3,182,896,665	P1,160,539,848	P258,489,646	P2,426,322,346	P492,467,098	P103,474,569	P9,120,900	P29,787,220	P8,169,186,724
Additions	-	-	8,760,000	8,202,764	117,477,813	37,965,270	5,289,962	8,357,793	124,132,205	310,185,807
Reclassifications	-	133,419,425	-	-	20,500,000	-	-	-	(153,919,425)	-
Disposals	-	-	-	-	(66,285,817)	(6,138,344)	(1,030,058)	-	-	(73,454,219)
Ending balances	506,088,432	3,316,316,090	1,169,299,848	266,692,410	2,498,014,342	524,294,024	107,734,473	17,478,693	-	8,405,918,312
Accumulated Depreciation										
Beginning balances	-	965,486,369	643,330,962	248,716,564	1,855,329,226	384,850,252	88,179,489	6,882,828	-	4,192,775,690
Depreciation (Notes 13 and 14)	-	87,716,540	50,366,294	4,425,289	168,366,628	44,905,295	5,832,860	3,979,279	-	365,592,185
Disposals	-	-	-	-	(65,557,295)	(5,346,837)	(966,962)	-	-	(71,871,094)
Ending balances	-	1,053,202,909	693,697,256	253,141,853	1,958,138,559	424,408,710	93,045,387	10,862,107	-	4,486,496,781
Accumulated Impairment Losses										
Beginning balances	-	-	-	-	10,983	3,884	103,533	-	-	118,400
Ending balances	-	-	-	-	10,983	3,884	103,533	-	-	118,400
Net Book Value	P506,088,432	P2,263,113,181	P475,602,592	P13,550,557	P539,864,800	P99,881,430	P14,585,553	P6,616,586	P-	P3,919,303,131



The Company disposed some items of property and equipment in 2023, 2022 and 2021. Transactions are as follows:

	2023	2022	2021
Net book value	₱3,028,612	₱1,583,125	₱51,888
Less: Proceeds	2,973,889	1,432,661	25,447
Trade-in value	1,100,000	89,285	-
Loss (gain) on disposals	(₱1,045,277)	₱61,179	₱26,441

Trade-in value received by the Company upon sale of property and equipment was included as part of the additions in property and equipment.

9. Other Noncurrent Assets

	2023	2022
Software and licenses	₱28,848,590	₱23,502,922
Advances to contractors	23,718,015	17,552,210
Financial assets at FVOCI	19,668,000	17,168,000
Refundable deposits	6,657,970	6,810,777
Investment property	2,006,916	2,171,869
	₱80,899,491	₱67,205,778

a. Software and licenses as at December 31 follow:

	2023	2022
Cost		
Beginning balances	₱187,880,357	₱163,409,719
Additions	21,552,376	24,470,638
Retirement	(790,000)	-
Ending balances	208,642,733	187,880,357
Accumulated Amortization		
Beginning balances	164,377,435	151,411,172
Amortization (Notes 13 and 14)	15,658,097	12,966,263
Retirement	(241,389)	-
Ending balances	179,794,143	164,377,435
Net Book Value	₱28,848,590	₱23,502,922

b. Advances to contractors pertains to advance payments to suppliers. These advances will be applied as payment for assets to be classified as property and equipment.

c. Movement in the carrying values of financial assets at FVOCI as at December 31 are as follows:

	2023	2022
Beginning balance	₱17,168,000	₱8,468,000
Unrealized gain on changes in fair value	2,500,000	8,700,000
Ending balance	₱19,668,000	₱17,168,000



Movement in the unrealized gain on changes in fair value of financial assets at FVOCI as at December 31 are as follows:

	2023	2022
Beginning balance	₱14,535,000	₱5,835,000
Unrealized gain on changes in fair value	2,500,000	8,700,000
Ending balance (Note 11)	₱17,035,000	₱14,535,000

- d. As at December 31, 2023, and 2022, refundable deposits consist of Meralco deposit equivalent to an estimated one-month billing and a meter deposit made in 2001 for the installation of electricity lines in the Hospital buildings.
- e. Investment property consists of a condominium unit as at December 31:

	2023	2022
Cost	₱4,123,808	₱4,123,808
Accumulated Depreciation		
Beginning balances	1,951,939	1,786,986
Depreciation (Note 14)	164,953	164,953
Ending balances	2,116,892	1,951,939
Net Book Value	₱2,006,916	₱2,171,869

The fair value of the investment property cannot be determined as there is no recent market transaction for these investments. No impairment loss was recognized on investment property in 2023, 2022 and 2021.

There are no direct operating expenses including repairs and maintenance arising from investment property that generated rental income in 2023, 2022 and 2021.

10. Accounts Payable and Other Current Liabilities

	2023	2022
Trade accounts payable	₱558,009,289	₱359,359,438
Accrued expenses	281,194,450	215,826,642
Accrued physician fees	109,948,335	64,575,644
Statutory payables	35,815,577	24,410,253
Contract liabilities (Note 12)	12,036,019	11,087,245
Refund payable	11,271,915	6,891,737
Retention payable	8,479,106	8,501,957
Others	47,378,973	86,077,065
	₱1,064,133,664	₱776,729,981

- a. Trade payables include unpaid billings of creditors, suppliers and contractors. The trade suppliers generally provide 7, 15 or 30-day terms to the Company. Prompt payment discounts of 1%, 1.25%, 1.5%, 2%, 3% and 5% are given by a number of trade suppliers.

Related party balances included in "Trade accounts payable" and "Accrued expenses" amounted to ₱54.9 million and ₱25.0 million as at December 31, 2023 and 2022, respectively (see Note 22).



- b. Accrued expenses include accruals for various expenses used in the operations of the Company which are normally settled within the next twelve months. Details of accrued expenses as at December 31 are as follows.

	2023	2022
Personnel	₱90,973,336	₱47,285,304
Outside services	34,677,369	36,288,529
Professional fees	31,299,566	32,160,250
Cost of medical supplies	25,602,318	30,887,252
Utilities	19,389,763	23,507,893
Rebate	17,459,079	5,861,211
Maintenance	13,395,012	9,164,243
General expenses	7,904,867	8,653,520
Rent	2,395,989	3,472,954
Others	38,097,151	18,545,486
	₱281,194,450	₱215,826,642

- c. Physician fees pertain to professional fees, payable to its physicians and being remitted upon collection of the related receivables from patients. The Company is a party under a 'pass-through' arrangement wherein it acts as a collecting agent from patients and remits professional fees to its physicians upon collection of the related receivables.
- d. Statutory payables pertain to VAT payable, expanded withholding taxes payable, withholding taxes payable on compensation, and contributions to Social Security System, PhilHealth and Pag-IBIG which are normally settled within the next twelve months.
- e. Contract liabilities pertain to advances received from patients for medical services that has yet to be performed which can be redeemed by the patient in a future time through rendering of services which are normally settled within the next twelve months (see Note 12).
- f. Retention payable pertains to the 10% of progress billings related to the construction of the fit-outs to be paid upon satisfactory completion of the construction which are normally settled within the next twelve months.
- g. Refund payable pertains to payments received by the Company in excess of the final invoice amount which are normally settled within the next twelve months.
- h. Others represent unliquidated Debit Credit Payment Method from PhilHealth, current portion of lease liability, advances from employees and other officers, cooperative dues, and charities fund, among others which are normally settled within the next twelve months. Interest payment pertains to short-term loan availment to maintain credit facility amounting to ₱5.0 million.

11. Equity

Capital Stock

	Number of Shares	
	2023	2022
Authorized - ₱1 par value	2,000,000,000	2,000,000,000
Issued and subscribed	1,936,728,391	1,936,728,391



Subscription receivable

Movement of subscription receivable as at December 31 are as follows:

	2023	2022	2021
Beginning balance	₱1,983,372	₱2,695,700	₱2,812,974
Application of dividends against subscription receivable (see Note 24)	(775,308)	(712,328)	(117,274)
Ending balance	₱1,208,064	₱1,983,372	₱2,695,700

Retained Earnings

As at December 31, 2023 the Company's unappropriated retained earnings exceeded its paid-in capital. The Company plans to declare its excess retained earnings over paid-in capital as at December 31, 2023 as cash dividends in 2024.

Details of the Company's cash dividend declarations are as follows:

BOD Declaration Date	Record Date	Payment Date	Dividend Per Share	Outstanding Shares as of Declaration Date	Total
May 2, 2023	May 12, 2023	May 26, 2023	₱0.1190	₱1,936,728,391	₱230,470,679
December 20, 2023	December 5, 2023	December 20, 2023	0.0595	1,936,728,391	115,235,339
					₱345,706,018

BOD Declaration Date	Record Date	Payment Date	Dividend Per Share	Outstanding Shares as of Declaration Date	Total
May 2, 2022	May 12, 2022	May 27, 2022	₱0.082	₱1,936,728,391	₱158,811,728
December 1, 2022	December 12, 2022	December 21, 2022	0.082	1,936,728,391	158,811,728
					₱317,623,456

BOD Declaration Date	Record Date	Payment Date	Dividend Per Share	Outstanding Shares as of Declaration Date	Total
November 15, 2021	November 26, 2021	December 15, 2021	₱0.027	1,936,728,391	₱52,291,667

Other Comprehensive Income (Loss) - net

Accumulated other comprehensive income (loss) presented in the statements of financial position as at the years ended consists of the following, net of applicable income taxes:

	2023	2022	2021
Actuarial gain (loss) in accrued retirement benefits liability	(₱38,049,575)	(₱15,533,246)	₱9,389,808
Unrealized gain on changes in fair value	17,035,000	14,535,000	5,835,000
	(₱21,014,575)	(₱998,246)	₱15,224,808

12. Revenue

Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers for the years ended December 31.

	2023	2022	2021
By source			
Patient service revenue	₱4,237,897,180	₱3,542,489,597	₱3,270,492,785
Pharmacy sales	815,241,197	643,269,320	807,444,135
Discounts	(590,689,922)	(484,205,454)	(494,672,248)
	₱4,462,448,455	₱3,701,553,463	₱3,583,264,672



	2023	2022	2021
By customers			
Inpatient	₱2,923,546,664	₱2,345,647,918	₱2,642,350,148
Outpatient	2,129,591,713	1,840,110,999	1,435,586,772
Gross revenue	5,053,138,377	4,185,758,917	4,077,936,920
Discounts	(590,689,922)	(484,205,454)	(494,672,248)
	₱4,462,448,455	₱3,701,553,463	₱3,583,264,672

Contract Balances

The Company's trade receivables amounted to ₱755.4 million and ₱657.8 million as at December 31, 2023 and 2022, respectively (see Note 5).

Contract liabilities include deposits received from patients, amounting to ₱12.0 million and ₱11.1 million as at December 31, 2023 and 2022, respectively (see Note 10). Revenue recognized from contract liabilities included in 2023 and 2022 amounted to ₱9.4 million and ₱7.1 million, respectively.

13. Cost of Services and Sales

	2023	2022	2021
Medical supplies	₱627,241,305	₱604,530,677	₱595,879,595
Personnel costs (Note 17)	481,565,745	358,302,427	361,159,182
Reader's fee	276,087,436	234,843,174	177,454,313
Professional fees and outside services	267,423,883	212,941,821	204,511,101
Depreciation (Notes 8 and 9)	199,210,884	191,425,089	175,616,037
Communication, light and water (Note 22)	121,281,767	145,146,844	91,773,760
Patient meals	46,870,315	35,450,177	34,203,852
Repairs and maintenance	41,731,336	33,353,764	20,062,149
Supplies	29,835,372	22,189,509	17,703,464
Rent (Note 23)	12,424,272	8,895,938	15,283,886
Amortization of software and licenses (Note 9)	3,840,260	2,891,050	767,823
Others - net (Note 6)	41,113,053	23,785,822	26,924,477
Cost of services	2,148,625,628	1,873,756,292	1,721,339,639
Cost of sales - Pharmacy	416,207,469	346,715,783	426,466,200
	₱2,564,833,097	₱2,220,472,075	₱2,147,805,839

14. Operating Expenses

	2023	2022	2021
Personnel costs (Note 17)	₱370,301,278	₱332,157,222	₱303,203,588
Depreciation (Notes 8 and 9)	179,045,199	174,332,049	168,977,993
Professional fees and outside services (Note 22)	146,261,288	167,948,443	140,820,271
Repairs and maintenance	87,933,777	68,100,295	50,045,488

(Forward)



	2023	2022	2021
Taxes and licenses	₱53,687,935	₱33,962,148	₱31,105,111
Communication, light and water (Note 22)	52,327,530	57,091,281	42,140,709
Supplies	22,067,355	18,760,743	16,341,279
Advertising	21,178,473	9,566,577	3,305,297
Entertainment, amusement and recreation	16,924,927	19,719,849	18,974,651
Insurance	15,492,823	15,285,504	14,516,308
Transportation and travel	14,516,903	11,500,399	10,571,328
Amortization of software and licenses (Note 9)	11,817,837	10,075,213	6,634,461
Rent (Note 23)	9,482,858	8,746,456	6,905,022
Provision for ECL (Note 5)	125,556	-	188,400,074
Others	37,287,148	33,198,341	42,480,620
	₱1,038,450,887	₱960,444,520	₱1,044,422,200

Others pertains to credit card commission expense, association dues, canteen operation costs, employee meals, among others.

15. Other Operating Income - Net

	2023	2022	2021
Rent income (Note 23)	₱19,354,904	₱12,370,622	₱10,799,702
Foreign exchange gain (loss) - net	5,139,745	23,949,325	11,449,723
Gain (Loss) on disposal of property and equipment (Note 8)	1,045,277	(61,179)	(26,441)
Others	34,430,820	52,353,275	30,668,733
	₱59,970,746	₱88,612,043	₱52,891,717

Others pertains to income from canteen operations, rebates and parking fees, among others.

16. Finance Costs

	2023	2022	2021
Net interest from retirement benefits cost (Note 18)	₱3,541,749	₱936,230	₱727,278
Interest expense on lease liability (Note 23)	216,029	172,716	201,757
Bank charges	486,538	344,311	288,183
	₱4,244,316	₱1,453,257	₱1,217,218

17. Personnel Costs

	2023	2022	2021
Salaries and wages (Notes 13 and 14)	₱840,752,864	₱680,891,340	₱648,176,292
Retirement benefits cost (Note 18)	11,114,159	9,568,309	16,186,478
	₱851,867,023	₱690,459,649	₱664,362,770



18. Retirement Benefits

The Company has a non-contributory retirement plan which provides retirement benefit equal to one hundred percent (100%) of plan salary for every year of credited service of qualified employees, not less than the regulatory benefit under the Retirement Pay Law (Republic Act No. 7641). The retirement plan trustee, as appointed by the Company in the trust agreement executed between the Company and the duly appointed retirement plan trustee, is responsible for the general administration of the retirement plan and the management of the retirement fund. The retirement plan trustee may seek the advice of counsel and appoint the investment managers to manage the retirement fund, an independent accountant to audit the fund and an actuary to value the retirement fund.

	Net Retirement Benefits Cost in Statement of Comprehensive Income				Remeasurements in Other Comprehensive Income						December 31, 2023
	January 1, 2023	Current		Subtotal	Contributions and Benefits Paid	Return on Plan Assets (Excluding from Net Interest)	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	
		Service Cost*	Net Interest**								
Present value of defined benefit obligation	₱135,527,056	₱11,114,159	₱10,665,979	₱21,780,138	(₱4,431,998)	P-	₱5,464,158	₱22,249,282	₱1,097,815	₱28,911,255	₱181,686,451
Fair value of plan assets	(85,858,275)	-	(7,124,230)	(7,124,230)	(9,331,223)	1,210,517	-	-	-	1,210,517	(101,103,211)
Accrued retirement benefits liability - net	₱49,668,781	₱11,114,159	₱3,541,749	₱14,655,988	(₱13,763,221)	₱1,210,517	₱5,464,158	₱22,249,282	₱1,097,815	₱30,021,772	₱80,583,240

*Presented as retirement benefits cost under "Personnel Costs".

**Presented as net interest from retirement benefits cost under "Finance Costs".

	Net Retirement Benefits Cost in Statement of Comprehensive Income				Remeasurements in Other Comprehensive Income						December 31, 2022
	January 1, 2022	Current		Subtotal	Contributions and Benefits Paid	Return on Plan Assets (Excluding from Net Interest)	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	
		Service Cost*	Net Interest**								
Present value of defined benefit obligation	₱106,190,781	₱9,568,309	₱5,415,730	₱14,984,039	(₱10,777,375)	P-	₱37,363,430	(₱11,076,146)	(₱1,157,673)	₱25,129,611	₱135,527,056
Fair value of plan assets	(86,186,784)	-	(4,479,500)	(4,479,500)	(3,293,118)	8,101,127	-	-	-	8,101,127	(85,858,275)
Accrued retirement benefits liability - net	₱20,003,997	₱9,568,309	₱936,230	₱10,504,539	(₱14,070,493)	₱8,101,127	₱37,363,430	(₱11,076,146)	(₱1,157,673)	₱33,230,738	₱49,668,781

*Presented as retirement benefits cost under "Personnel Costs".

**Presented as net interest from retirement benefits cost under "Finance Costs".

	Net Retirement Benefits Cost in Statement of Comprehensive Income					Remeasurements in Other Comprehensive Income						December 31, 2021
	January 1, 2021	Current		Net Interest**	Subtotal	Contributions and Benefits Paid	Return on Plan Assets (Excluding from Net Interest)	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	
		Service Cost*	Settlement Loss									
Present value of defined benefit obligation	₱123,760,952	₱11,073,985	₱5,112,493	₱4,840,910	₱21,027,388	(₱14,072,503)	P-	(₱2,091,232)	(₱15,821,257)	(₱6,612,567)	(₱24,525,056)	₱106,190,781
Fair value of plan assets	(80,165,539)	-	-	(4,113,632)	(4,113,632)	(5,275,893)	3,368,280	-	-	-	3,368,280	(86,186,784)
Accrued retirement benefits liability - net	₱43,595,413	₱11,073,985	₱5,112,493	₱727,278	₱16,913,756	(₱19,348,396)	₱3,368,280	(₱2,091,232)	(₱15,821,257)	(₱6,612,567)	(₱21,156,776)	₱20,003,997

*Presented as retirement benefits cost under "Personnel Costs".

**Presented as net interest from retirement benefits cost under "Finance Costs".



The principal actuarial assumptions used to determine retirement benefits are as follows:

	2023	2022	2021
Discount rate	6.56%	7.87%	5.10%
Salary increase rate	7.00%	7.00%	5.00%
Employees covered	1,641	1,319	1,375
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5	The Disability Study, Period 2 Benefit 5	The Disability Study, Period 2 Benefit 5

Withdrawal rates are as follows:

Age	Nurse			Non-Nurse		
	2023	2022	2021	2023	2022	2021
19 - 24	31.41%	34.22%	28.77%	22.13%	22.41%	22.10%
25 - 29	35.58%	34.29%	35.79%	24.86%	21.94%	19.90%
30 - 34	39.32%	37.53%	33.51%	15.89%	15.42%	14.22%
35 - 39	56.52%	46.24%	47.16%	9.53%	8.27%	7.26%
40 - 44	47.83%	50.00%	32.69%	6.17%	6.02%	6.08%
45 - 49	16.22%	16.00%	35.00%	6.40%	5.73%	5.21%
50 - 54	0.50%	0.50%	35.00%	0.85%	2.00%	5.21%
≥ 55	0.50%	0.50%	35.00%	0.00%	0.50%	5.21%

The composition of the fair value of plan assets by each class as at December 31 is as follows:

	2023	2022
Cash and cash equivalents	₱3,579,053	₱7,186,338
Debt instruments:		
Government securities	87,939,573	74,387,609
Not rated debt securities	8,108,478	8,328,253
	96,048,051	82,715,862
Others	1,476,107	(4,043,925)
Fair value of plan assets	₱101,103,211	₱85,858,275

The distribution of fair value of plan assets by each class as at December 31, 2023 are as follows:

	2023	2022
Cash and cash equivalents	3.54%	8.37%
Debt instruments:		
Government securities	86.98%	86.64%
Not rated debt securities	8.02%	9.70%
	95.00%	96.34%
Others	1.46%	(4.71%)
	100.0%	100.0%

All debt instruments held have quoted prices in active markets. The remaining plan assets do not have quoted market prices in active markets.

The plan assets consist mainly of government securities that are risk-free.



Each sensitivity analysis on the significant actuarial assumptions was prepared by re-measuring accrued retirement benefits liability at the end of the reporting period after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the accrued retirement benefits liability.

	2023		2022	
	Increase (Decrease)	Accrued Retirement Benefits	Increase (Decrease)	Accrued Retirement Benefits
Discount rates	1.0% (1.0%)	(P)17,372,226 20,267,703	1.0% (1.0%)	(P)12,629,842 14,685,771
Future salary increases	1.0% (1.0%)	19,975,915 (17,457,282)	1.0% (1.0%)	14,666,720 (12,836,358)
No attrition rates		104,112,032		80,160,661

The retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities but the plan trustee is generally assumed to use an approach that would meet the goals of the fund.

The Company is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement fund are at the Company's discretion. However, in the event a benefit claim arises and the retirement fund is insufficient to pay the claim, this will then be due and payable from the Company to the retirement fund.

The weighted average duration of the defined benefit obligation is 10.4 years and 10.1 years on December 31, 2023 and 2022, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2023	2022
Not exceeding one year	P17,747,139	P13,629,066
More than one year but not exceeding two years	8,155,870	3,597,580
More than two years but not exceeding five years	22,245,665	27,222,329
More than five years but not exceeding ten years	133,931,816	109,221,415
	P182,080,490	P153,670,390

The latest actuarial valuation report of the Company is as at December 31, 2023.

19. Income Taxes

a. Corporate Recovery and Tax Incentives for Enterprises Act

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems.



The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate is reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

b. The components of the Company's provision for income tax are as follows:

	2023	2022	2021
Current:			
RCIT	₱227,921,838	₱135,748,749	₱138,347,773
Final tax on interest income	4,093,182	748,098	202,922
Impact of change in income tax rate beginning July 1, 2020	-	-	(7,336,020)
	232,015,020	136,496,847	131,214,675
Deferred	9,965,976	16,382,397	(6,958,082)
	₱241,980,996	₱152,879,244	₱124,256,593

Applying the provisions of the CREATE Act, the Company would have been subjected to lower RCIT rate of 25% and MCIT rate of 1% effective July 1, 2020.

The Company recognized in its comprehensive income for the year ended December 31, 2021, a reduction in Provision for income tax (current and deferred), Deferred tax on comprehensive income directly charged to Equity and Deferred tax income tax assets - net amounting to ₱13,325,851, ₱431,852 and ₱20,661,871, respectively, pertaining to the one-time impact of CREATE for the year ended December 31, 2020.

c. The components of the Company's net deferred income tax assets as at December 31 are as follows:

	2023	2022
Deferred income tax assets on:		
Allowance for:		
ECL	₱66,831,311	₱82,055,331
Inventory obsolescence	2,368,341	1,915,792
Accrued retirement benefits liability - net	19,260,373	12,417,197
Accrued service incentive	9,766,005	5,727,686
Difference between the depreciation expense per books and the depreciation expense deducted for income tax purposes	6,101,330	10,912,272
Accrued expenses	5,913,459	3,750,000
Unamortized past service cost	5,687,694	5,908,862

(Forward)



	2023	2022
Right-of-use asset	₱1,480,026	₱435,303
Rental deposit	832,169	542,388
Allowance for possible loss of equipment	29,600	29,600
	118,270,308	123,694,431
Deferred income tax liability on:		
Unrealized foreign exchange gain - net	409,646	(3,539,781)
Lease liability	(1,415,830)	(429,993)
	(1,006,184)	(3,969,774)
	₱117,264,124	₱119,724,657
Deferred tax asset recognized in other comprehensive loss - actuarial loss on accrued retirement benefits liability	₱7,505,443	₱8,307,685

- d. A reconciliation of the Company's provision for income tax computed at the statutory income tax rate based on income before income tax to the provision for income tax is as follows:

	2023	2022	2021
Provision for income tax computed at the statutory income tax rate	₱233,941,792	₱153,068,356	₱110,996,666
Additions to (reductions in) income tax resulting from:			
Interest income subjected to final tax	(5,117,922)	(937,210)	(268,846)
Final tax on interest income	4,093,182	748,098	202,922
Change in tax rate of deferred income tax - net	-	-	20,661,871
Change in tax rate on prior year's provision for current income tax	-	-	(7,336,020)
Nondeductible deficiencies and penalties	7,033,201	-	-
Nondeductible expenses	2,030,743	-	-
Provision for income tax	₱241,980,996	₱152,879,244	₱124,256,593

20. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize stockholder value.

The Company monitors capital using the liabilities to tangible net worth ratio. Liabilities include accounts payable and other current liabilities, net accrued retirement benefits liability, income tax payable, due to a related party and lease liability. Tangible net worth pertains to the total stockholders' equity minus intangible assets. Ratio should not be greater than 1:1.



	2023	2022
Liabilities (a):		
Accounts payable and other current liabilities	₱1,064,133,664	₱776,729,981
Accrued retirement benefits liability - net	80,583,240	49,668,781
Income tax payable	95,298,555	45,900,002
Due to a related party	20,818,444	10,292,168
Lease liability	-	2,164,796
	₱1,260,833,903	₱884,755,728
Tangible net worth (b):		
Capital stock	₱1,935,520,327	₱1,934,745,019
Additional paid-in capital	185,465,780	185,465,780
Retained earnings	3,033,296,463	2,685,216,308
Other comprehensive income (loss) - net of tax	(21,014,575)	(998,246)
	5,133,267,995	4,804,428,861
Less software and licenses - net	28,848,590	23,502,922
	₱5,104,419,405	₱4,780,925,939
Liabilities to tangible net worth ratio (a/b)	0.25:1.0	0.19:1.0

21. Financial Instruments and Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise mainly of cash and cash equivalents. The Company has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year, the Company's policy that no free-standing derivatives or trading in financial instruments shall be undertaken.

Fair Value Information

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and financial liabilities

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents (excluding cash on hand), receivables, accounts payable and other current liabilities (excluding statutory payables and contract liabilities), amounts due to a related party, and lease liability approximate the carrying amount as of the reporting date.

Refundable deposits

The carrying value approximates the fair value of refundable deposits included under "Other noncurrent assets" in the statements of financial position because of recent and regular repricing based on market conditions.

Financial asset at FVOCI

The fair value of equity financial assets designated at FVOCI included under "Other noncurrent assets" in the statement of financial position is based on the quoted prices in the active market.



Categories of Financial Instruments

	December 31, 2023			
	Amortized Cost	Financial Asset at FVOCI	Financial Liabilities	Total
Assets				
Cash and cash equivalents*	₱1,388,245,915	₱-	₱-	₱1,388,245,915
Trade receivables	494,258,471	-	-	494,258,471
Non-trade receivables	34,678,118	-	-	34,678,118
Refundable deposits	6,657,970	-	-	6,657,970
Equity financial assets measured at FVOCI	-	19,668,000	-	19,668,000
Total financial assets	₱1,923,840,474	₱19,668,000	₱-	₱1,943,508,474
Liabilities				
Accounts payable and other current liabilities**	₱-	₱-	₱1,014,117,272	₱1,014,117,272
Lease liability***	-	-	2,164,796	2,164,796
Due to a related party	-	-	20,818,444	20,818,444
Total financial liabilities	₱-	₱-	₱1,037,100,512	₱1,037,100,512

*Excluding cash on hand amounting to ₱12.0 million as at December 31, 2023

**Excluding statutory payables and contract liabilities amounting to ₱35.8 million and ₱12.0 million, respectively, as at December 31, 2023

***Includes future interest payments

	December 31, 2022			
	Amortized Cost	Financial Asset at FVOCI	Financial Liabilities	Total
Assets				
Cash and cash equivalents*	₱1,002,195,600	₱-	₱-	₱1,002,195,600
Trade receivables	336,479,038	-	-	336,479,038
Non-trade receivables	30,015,820	-	-	30,015,820
Refundable deposits	6,810,777	-	-	6,810,777
Equity financial assets measured at FVOCI	-	17,168,000	-	17,168,000
Total financial assets	₱1,375,501,235	₱17,168,000	₱-	₱1,392,669,235
Liabilities				
Accounts payable and other current liabilities**	₱-	₱-	₱737,289,137	₱737,289,137
Lease liability***	-	-	6,280,858	6,280,858
Due to a related party	-	-	10,292,168	10,292,168
Total financial liabilities	₱-	₱-	₱753,862,163	₱753,862,163

*Excluding cash on hand amounting to ₱15.1 million as at December 31, 2022

**Excluding statutory payables and contract liabilities amounting to ₱24.4 million and ₱11.1 million, respectively, as at December 31, 2022

***Includes future interest payments

Fair Value Hierarchy

The Company's financial assets that are carried at fair value are the quoted shares classified as equity financial assets as at December 31, 2023, and 2022, the fair value of these investments amounting to ₱19.7 million and ₱17.2 million, respectively, are determined and disclosed using Level 2 inputs, which are quoted in inactive markets indicated by the low volume or level of activity and sizes of transactions for a particular share. In 2023 and 2022, there were no transfers into and out of the different levels of fair value measurements.



Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and foreign currency risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Company extends credit only to reputable HMO or insurance companies. The receivable balances are regularly monitored. Credit limits are set in the system and a regular review of these limits is being done by management.

As a healthcare provider, the Company is exposed to credit risk on patients who are unable to pay their medical bills upon discharge. The Company has a policy to require deposits from patients upon admission and to require top-ups from patients whose bills have exceeded deposited amount. To lessen the exposure on credit risk, the Company closely monitors its receivables on an on-going basis. The Company's exposure to credit risk arises from default of the counterparty.

The table below provides the maximum credit risk exposure of the Company as at December 31:

	Gross Maximum Exposure ⁽¹⁾		Net Maximum Exposure ⁽²⁾	
	2023	2022	2023	2022
Cash and cash equivalents*	₱1,388,245,915	₱1,002,195,600	₱1,384,408,614	₱998,195,600
Receivables	528,936,589	366,494,858	528,936,589	366,494,858
Refundable deposits**	6,657,970	6,810,777	6,657,970	6,810,777
Financial asset at FVOCI**	19,668,000	17,168,000	19,668,000	17,168,000
	₱1,943,508,474	₱1,392,669,235	₱1,939,671,173	₱1,388,669,235

⁽¹⁾Gross financial assets before taking into account any collateral held or other credit enhancements or insurance in case of bank deposits.

⁽²⁾Net financial assets after taking into account any collateral held or other credit enhancements or insurance in case of bank deposits.

*Excluding cash on hand amounting to ₱12.0 million and ₱15.1 million as at December 31, 2023 and 2022, respectively.

**Included as part of "Other noncurrent assets" account.

The tables below and in the next page provide the age analysis of the Company's financial assets according to the Company's credit ratings of debtors:

	December 31, 2023							Provision for ECL	Total
	Neither Past Due nor Impaired	Past Due							
		<30 Days	30-60 Days	61-90 Days	91-120 Days	>120 Days			
Cash and cash equivalents*	₱1,388,245,915	-	-	-	-	-	-	₱1,388,245,915	
Receivables:									
Trade:									
HMO	90,961,910	96,005,182	19,932,186	8,791,011	1,148,866	9,835,988	(12,373,384)	214,301,759	
Corporate accounts	22,442,432	29,755,035	31,641,983	5,427,723	2,852,980	4,518,195	(310,053)	96,328,295	
PhilHealth	23,954,923	21,639,190	13,097,981	15,706,646	12,207,452	101,089,756	(112,517,529)	75,178,419	
International insurance	21,886,029	22,672,637	4,064,286	1,352,502	5,835,142	797,039	(5,082,567)	50,924,968	
Self-pay	18,369,486	6,894,731	3,070,455	3,151,270	2,048,293	118,291,810	(130,216,034)	21,610,011	
Others	11,407,168	16,159,565	606,474	4,711,604	2,436,999	593,209	-	35,915,019	
Nontrade	7,688,727	7,975,917	14,483,888	4,222,000	401,600	6,131,561	(6,225,575)	34,678,118	
Refundable deposits**	6,657,970	-	-	-	-	-	-	6,657,970	
Financial assets at FVOCI**	19,668,000	-	-	-	-	-	-	19,668,000	
	₱1,611,282,860	₱201,102,257	₱86,897,253	₱43,362,756	₱26,931,332	₱241,257,558	(₱267,325,242)	₱1,943,508,474	

*Excluding cash on hand amounting to ₱12.0 million as at December 31, 2023.

**Included as part of "Other noncurrent assets" account.



	December 31, 2022							Provision for ECL	Total
	Neither Past Due nor Impaired	Past Due					Total		
		<30 Days	30-60 Days	61-90 Days	91-120 Days	>120 Days			
Cash and cash equivalents*	P1,002,195,600	P-	P-	P-	P-	P-	P-	P1,002,195,600	
Receivables:									
Trade:									
PhilHealth	19,795,433	18,737,421	23,659,655	22,316,842	19,578,535	211,343,222	(195,155,977)	120,275,131	
HMO	62,471,454	38,675,874	6,628,100	4,333,962	1,229,944	2,119,179	(137,723)	115,320,790	
Corporate accounts	19,134,735	19,643,990	6,464,218	2,859,173	259,224	352,379	(115,350)	48,598,369	
International insurance	4,051,021	6,259,494	2,371,665	1,367,671	2,828,666	392,227	(1,681,507)	15,589,237	
Self-pay	4,410,203	2,437,775	1,411,287	1,244,420	3,972,613	118,049,239	(124,200,474)	7,325,063	
Others	15,179,193	10,581,940	257,548	782,482	33	2,569,252	-	29,370,448	
Nontrade	4,829,715	9,480,750	3,513,578	12,077,430	627,390	6,417,247	(6,930,290)	30,015,820	
Refundable deposits**	6,810,777	-	-	-	-	-	-	6,810,777	
Financial assets at FVOCI**	17,168,000	-	-	-	-	-	-	17,168,000	
	P1,156,046,131	P105,817,244	P44,306,051	P44,981,980	P28,496,405	P341,242,745	(P328,221,321)	P1,392,669,235	

*Excluding cash on hand amounting to P15.1 million as at December 31, 2022.

**Included as part of "Other noncurrent assets" account.

For cash and cash equivalents (excluding cash on hand), the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade and other receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type or by payors). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Based on the Company's credit risk experience, ECL rate increases as the age of receivables also increases.

Credit quality

The financial assets of the Company are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The table below shows determination of ECL stage of the Company's financial assets:

	December 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Cash and cash equivalents*	P1,388,245,915	P-	P-	P1,388,245,915
Trade receivables	520,232,141	235,125,997	-	755,358,138
Nontrade receivables	34,772,132	6,131,561	-	40,903,693
Refundable deposits**	6,657,970	-	-	6,657,970
Total financial assets	P1,949,908,158	P241,257,558	P-	P2,191,165,716

* Excluding cash on hand amounting to P12.0 million.

**Included as part of "Other noncurrent assets" account.



	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Cash and cash equivalents*	P1,002,195,600	P-	P-	P1,002,195,600
Trade receivables	322,944,571	334,825,498	-	657,770,069
Nontrade receivables	30,528,863	6,417,247	-	36,946,110
Refundable deposits**	6,810,777	-	-	6,810,777
Total financial assets	P1,362,479,811	P341,242,745	P-	P1,703,722,556

* Excluding cash on hand amounting to P15.1 million.

**Included as part of "Other noncurrent assets" account.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Company's objective is to be able to finance its working capital requirements and capital expenditures. To cover the Company's financing requirements, the Company uses internally-generated funds. Projected and actual cash flow information are regularly evaluated to ensure it meets these requirements.

The tables below summarize the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual obligations. The table also analyzes the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments and liquidity:

Financial assets

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected dates the assets will be realized.

Financial liabilities

The maturity grouping is based on the remaining period for the end of the reporting period to the contractual maturity date.

	December 31, 2023						TOTAL
	On demand	Within one year	1-2 years	2-3 years	3-4 years	More than 4 years	
Cash and cash equivalents*	P740,217,000	P648,028,915	P-	P-	P-	P-	P1,388,245,915
Trade receivables	-	494,258,471	-	-	-	-	494,258,471
Nontrade receivables	-	34,678,118	-	-	-	-	34,678,118
Refundable deposits	-	-	6,657,970	-	-	-	6,657,970
Financial assets at FVOCI	-	-	19,668,000	-	-	-	19,668,000
Total financial assets	740,217,000	1,176,965,504	26,325,970	-	-	-	1,943,508,474
Accounts payable and other current liabilities**	-	1,014,117,272	-	-	-	-	1,014,117,272
Due to a related party	-	20,818,444	-	-	-	-	20,818,444
Lease liability***	-	2,164,796	-	-	-	-	2,164,796
Total financial liabilities***	-	1,037,100,512	-	-	-	-	1,037,100,512
Liquidity position (gap)	P740,217,000	P139,864,992	P26,325,970	P-	P-	P-	P906,407,962

*Excluding cash on hand amounting to P17.0 million as at December 31, 2023

**Excluding statutory payables and contract liabilities amounting to P35.8 million and P12.0 million, respectively, as at December 31, 2023

***Includes future interest payments

	December 31, 2022						TOTAL
	On demand	Within one year	1-2 years	2-3 years	3-4 years	More than 4 years	
Cash and cash equivalents*	P789,766,852	P212,428,748	P-	P-	P-	P-	P1,002,195,600
Trade receivables	-	336,479,038	-	-	-	-	336,479,038
Nontrade receivables	-	30,015,820	-	-	-	-	30,015,820
Refundable deposits	-	-	6,810,777	-	-	-	6,810,777
Financial assets at FVOCI	-	-	17,168,000	-	-	-	17,168,000
Total financial assets	789,766,852	578,923,606	23,978,777	-	-	-	1,392,669,235
Accounts payable and other current liabilities**	-	737,289,137	-	-	-	-	737,289,137
Due to a related party	-	10,292,168	-	-	-	-	10,292,168
Lease liability***	-	4,116,062	2,164,796	-	-	-	6,280,858
Total financial liabilities***	-	751,697,367	2,164,796	-	-	-	753,862,163
Liquidity position (gap)	P789,766,852	(P172,773,761)	P21,813,981	P-	P-	P-	P638,807,072

*Excluding cash on hand amounting to P15.1 million as at December 31, 2022

**Excluding statutory payables and contract liabilities amounting to P24.4 million and P11.1 million, respectively, as at December 31, 2022

***Includes future interest payments



The Company expects that the cash generated from operations will adequately cover those immediately maturing obligations. All expected collections, check disbursements and other cash payments are determined daily to arrive at the projected cash position to cover its obligations and to ensure that obligations are met as they fall due. The Company monitors its cash flow position, particularly collections from receivables and the funding requirements of operations to ensure an adequate balance of inflows and outflows. The Company has online facilities with its depository banks wherein bank balances are monitored daily to determine the Company's actual cash balances at any time. The Company also has available credit facilities from which it can draw to ensure sufficient available funding for its projects.

Foreign Currency Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Company has foreign currency risk arising from its cash and cash equivalents and international insurance included under receivables. The Company also has transactional currency exposures arising from purchases of medical equipment or supplies in currencies other than the Peso. The Company relies on its ability to generate dollar-based revenue from its foreign patients to mitigate this risk.

The table below shows the details of the Company's currency exposure in US dollar (US\$) on its cash and cash equivalents and receivables:

	2023		2022	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Cash and cash equivalents	US\$2,088,189	₱115,623,021	US\$2,013,123	₱112,251,751
Receivables	1,049,582	58,115,366	178,177	9,935,162
	US\$3,137,771	₱173,738,387	US\$2,191,300	₱122,186,913

As at December 31, 2023, and 2022, the exchange rates used were ₱55.37 and ₱55.76 per US\$1.00, respectively.

The tables below represent the impact on the Company's profit or loss before income tax due to changes in fair value of monetary assets brought about by a change in Peso to US dollar exchange rates (holding all other variables constant):

	Foreign Exchange Rate	Increase (Decrease) in Foreign Currency	Impact on Income Before Tax
2023	₱55.37	0.70% (0.70%)	₱1,216,169 (1,216,169)
2022	55.76	(9.34%) 9.34%	(₱11,412,258) 11,412,258

There is no other effect on the Company's equity other than those already affecting the profit or loss.



22. Significant Related Party Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors or its stockholders.

On December 6, 2011, MPIC entered into an Assignment and Accession Agreement with Bumrungrad International Limited (BIL), former parent of the Company, and Bumrungrad International Holdings Pte Ltd. (BIHPL). BIL and BIHPL transferred to MPIC all of their rights and obligations under the Consultancy Services Agreement and Service Agreement, respectively.

The consultancy services agreement with BIL provide for fees equivalent to 3% of net revenue and 5% of EBITDA of the Company, payable in cash to the extent of US\$70,572 annually, with the balance payable by way of issuance of the Company's shares or shall be deemed to be payment for subscription of the Company's shares based on a subscription price at the higher of (a) ten times the earnings per share of the Company during the previous fiscal year or (b) ₱1.13 as may be adjusted by reason of any change in par value.

Under the services agreement with BIHPL, the fees shall be payable in cash to the extent of US\$70,572 annually.

For both the Consultancy Services Agreement and Service Agreement, the basis of the cash payment to be made to MPIC, previously entered with the Company, shall be amended annually based on the change in the Philippine Consumer Price Index (CPI) for the most recent past twelve months. On January 1, 2015, the right to collect management fee was transferred to MPHC.

On February 24, 2015, the Company changed the currency denomination from US Dollar to Philippine Peso using the foreign exchange rate as at February 16, 2015.

Increase in CPI of 6% and 3% in 2023 and 2022, respectively, resulted to increase in management fee in 2023 and 2022.

The tables below provide the total amount of transactions and their outstanding balances included in "Due to a related party" with MPHC as of and for the years ended December 31, 2023 and 2022.

	Nature of transactions	Transactions for the year		Outstanding balances		Terms	Conditions
		2023	2022	2023	2022		
Parent							
MPHC	Management fee	₱11,545,085	₱11,006,151	₱7,250,736	₱6,412,168	Due every month; Cash payment adjusted for the changes in the CPI	Unsecured
	Legal	60,000	-	2,546,250	2,494,286	Due upon receipt of invoice	Unsecured
	Group purchasing	800,000	800,000	1,385,714	1,385,714	Due upon receipt of invoice	Unsecured
	Other services	9,833,098	-	9,635,744	-	Due upon receipt of invoice	Unsecured
	Total	₱22,238,183	₱11,806,151	₱20,818,444	₱10,292,168		



On September 22, 2023, the Company entered into a Memorandum of Agreement with Medi Linx Laboratory, Inc. (MLLI) to avail their diagnostic testing services to clinicians, patients and external customers. The Company also entered into a Contract of Lease whereby MLLI was awarded the concession to operate a centralized diagnostic laboratory on a portion of the hospital's premises.

The Company also avails of and provides several services from its affiliates under normal terms and conditions and which are also offered to third parties.

The tables in the next page provide the total amount of transactions and their outstanding balances included in "Receivables" and "Accounts payable and other current liabilities" with other related parties as of and for the years ended December 31, 2023 and 2022.

	Nature of transaction	Transactions for the year		Outstanding balances		Terms	Conditions
		2023	2022	2023	2022		
Receivables							
Affiliate Under Common Control							
Philippine Long Distance Telephone Company	Hospital bills	₱43,250,229	₱21,668,957	₱27,630,668	₱4,717,660	30 days; noninterest-bearing	Unsecured
Medi Linx Laboratory Inc.	Rental income	18,665,538	-	18,665,538	-	30 days; noninterest-bearing	Unsecured
Smart Communications, Inc.	Rental income	1,362,805	1,374,978	601,748	439,135	30 days; noninterest-bearing	Unsecured
Metro Pacific Investments Corporation	Hospital Bills	658,110	640,796	323,063	171,694	30 days; noninterest-bearing	Unsecured
Metro Pac Water Investments Corp	Hospital Bills	71,430	73,140	73,109	22,810	30 days; noninterest-bearing	Unsecured
		₱64,008,112	₱23,757,871	₱47,294,126	₱5,351,299		
Payables							
Affiliate Under Common Control							
MeralcoPowerGen Corporation	Availment of electric services	₱136,601,663	₱143,587,682	₱10,721,164	₱14,274,960	30 days; noninterest-bearing	Unsecured
Medi Linx Laboratory Inc.	Laboratory services and purchase of reagents	79,964,693	43,151,247	44,079,286	10,140,245	30 days; noninterest-bearing	Unsecured
Philippine Long Distance Telephone Company	Availment of communication services	5,681,097	4,746,062	-	449,819	30 days; noninterest-bearing	Unsecured
Smart Communications, Inc.	Availment of communication services	1,391,312	1,159,558	92,457	104,102	30 days; noninterest-bearing	Unsecured
Maynilad Water Services Inc.	Availment of utilities services	165,111	292,133	27,264	10,011	30 days; noninterest-bearing	Unsecured
East Manila Hospital Managers Corporation	Availment of utilities services	-	142,042	-	-	30 days; noninterest-bearing	Unsecured
		₱223,803,876	₱193,078,724	₱54,920,171	₱24,979,137		

Outstanding balances at year end are normally settled in cash. The Company did not make any provision for impairment loss relating to amounts owed by related parties.

The compensation of key management personnel follows:

	2023	2022
Salaries and short-term employee benefits	₱147,300,856	₱117,266,535
Post-employment retirement benefits	-	12,187,500
Separation benefits	11,881,875	7,890,355
	₱159,182,731	₱137,344,390



23. Leases

The Company as a lessor

- a. The Company entered into various lease agreements with its concessionaires. These leases generally provide for either (a) a fixed monthly rent or (b) a minimum rent or a certain percentage of gross revenue. Fixed rent income from leases amounted to ₱16.1 million, ₱10.0 million and ₱9.5 million in 2023, 2022 and 2021, respectively. Contingent rent income recognized in profit or loss amounted to ₱2.4 million, ₱1.6 million and ₱0.9 million in 2023, 2022 and 2021, respectively. Generally, the lease term is 1 year and renewable annually.
- b. The Company entered into lease agreement with its doctors for the rent of one condominium unit as clinic. The condominium unit is located in the Medical Office Building and is owned by the Company. The Company earned rent income of ₱0.8 million, ₱0.7 million and ₱0.4 million in 2023, 2022 and 2021, respectively.

The Company as a lessee

On January 1, 2020, the Company recognized a lease liability for the contract of lease relating to the parking lots and spaces of land located at Block 40, Lot 4, Civic Drive, Filinvest Corporate City.

The carrying amount of lease liabilities as at December 31 follows:

	2023	2022
Beginning balance	₱6,108,142	₱2,342,312
Addition to lease liability	-	7,828,114
Interest expense on lease liability (Note 16)	216,029	172,716
Lease payments	(4,159,375)	(4,235,000)
Ending balance	2,164,796	6,108,142
Current portion of lease liability*	2,164,796	3,943,346
Noncurrent portion of lease liability	₱-	₱2,164,796

*Presented as "Others" under "Accounts payable and other current liabilities".

The lease liabilities were measured at the present value of the remaining lease payments discounted at the Company's incremental borrowing rates at the inception of the lease contract. The incremental borrowing rate applied to the lease liability is 4.95 %.

Shown below is the maturity analysis of lease liabilities pertaining to contractual undiscounted cash flows as at December 31, 2023:

	2023	2022
Within one year	₱2,164,796	₱4,159,375
After one year but not more than five years	-	2,196,150
Total undiscounted lease liabilities	₱2,164,796	₱6,355,525

The Company also has certain leases of machineries, office equipment, and parking lots and spaces of land. Generally, the leases have lease terms of one year or less and are renewable under certain terms and conditions to be mutually agreed upon by the parties. The Company applies the "short-term lease" and 'lease of low-value assets' recognition exemptions for these leases. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.



Rental expenses relating to short-term and low value assets charged to operations and administrative expenses are as follows:

	2023	2022
Cost of services and sales	₱12,424,272	₱8,895,938
Operating expenses	9,482,858	8,746,456
	₱21,907,130	₱17,642,394

24. Note to Statements of Cash Flows

- a. Principal non-cash investing activities pertain to the unpaid acquisitions of property and equipment amounting to ₱136.2 million and ₱11.4 million for years ended December 31, 2023 and 2022, respectively, and unpaid acquisition of software and licenses amounting to nil and ₱7,994 for the years ended December 31, 2023 and 2022, respectively.
- b. Changes in liabilities arising from financing activities

	Dividends Payable (Note 11)	Lease Liability (Note 23)
Balance as at December 31, 2020	₱-	₱5,990,555
Cash flow (see Statements of Cash Flows)		
Payments of/for:		
Lease liability	₱-	(₱3,850,000)
Dividends	(52,174,393)	-
Non-cash:		
Interest expense on lease liability	-	201,757
Dividend declaration	52,291,667	-
Application of dividends against subscriptions receivable	(117,274)	-
	52,174,393	201,757
Balance as at December 31, 2021	₱-	₱2,342,312
Cash flow (see Statements of Cash Flows)		
Payments of/for:		
Lease liability	₱-	(₱4,235,000)
Dividends	(316,911,128)	-
Non-cash:		
Addition to lease liability	-	7,828,114
Interest expense on lease liability	-	172,716
Dividend declaration	317,623,456	-
Application of dividends against subscriptions receivable	(712,328)	-
	316,911,128	8,000,830
Balance as at December 31, 2022	₱-	₱6,108,142



	Dividends Payable (Note 11)	Lease Liability (Note 23)
Cash flow (see Statements of Cash Flows)		
Payments of/for:		
Lease liability	P-	(P4,159,375)
Dividends	(344,930,710)	-
Non-cash:		
Interest expense on lease liability		216,029
Dividend declaration	345,706,018	-
Application of dividends against subscriptions receivable	(775,308)	-
	344,930,710	216,029
Balance as at December 31, 2023	P-	P2,164,796

25. Basic/Diluted Earnings per Share

The table below represents information necessary to compute the basic/diluted earnings per share:

	2023	2022	2021
(a) Net income	P693,786,173	P459,394,180	P319,730,072
(b) Adjusted weighted average number of shares	1,936,728,391	1,936,728,391	1,936,728,391
Basic/diluted earnings per share (a/b)	P0.3582	P0.2372	P0.1651

There were no potentially dilutive shares as at December 31, 2023, 2022 and 2021. Thus, the basic earnings per share is equal to the diluted earnings per share as of those dates.

26. Disclosures Required Under Revenue Regulations (RR) No. RR 15-2010 of the Bureau of Internal Revenue

The Company reported and/or paid the following taxes, duties and license fees during the year:

Value Added Tax (VAT)

The Company is primarily engaged in the sale of medical and hospital services and lease of properties which is incidental to its operation. Sec. 109(l) of the 1997 Tax Code, as amended, provides that "Medical and hospital services are VAT Exempt". However, lease of properties which are not connected to medical and hospital services are subject to VAT. RA No. 9337 increased the VAT rate from 10% to 12%, effective February 1, 2006.



Output VAT

The breakdown of the Company's sales transaction for the year ended December 31, 2023 is as follows:

	Base Amount	Output VAT
Vatable sales:		
Lease income	₱19,354,904	₱2,322,588
Others	104,400,273	12,528,033
VAT exempt	4,432,355,890	-
Total	₱4,556,111,067	₱14,850,621

Others pertains to sale of medicines and medical supplies to outpatient.

VAT exempt revenues from hospital services account for 97% of the total sales; hence the Company does not recognize input VAT from purchases of goods and services from different suppliers/vendor except purchases related to outpatient pharmacy and purchases of power from Meralco wherein the Company claims 7.69% of the total bill as tenant's share which is directly connected to vatable rental income. Any VAT passed on by VAT registered suppliers of goods and services (except outpatient pharmacy purchases and 7.69% VAT on Meralco bill) are recorded as part of the cost as mandated by existing laws and regulation.

Input VAT

The amount of VAT input taxes claimed are broken down as follows:

Balance at January 1, 2023	₱146,265
Current year's domestic purchases/payments for:	
Domestic purchase of goods other than capital goods	
Domestic purchase of services	4,768,127
<u>Applied against output VAT</u>	<u>(4,914,392)</u>
Balance at December 31, 2023	₱-

Input VAT claimed from Meralco for the year ended December 31, 2023 amounted to ₱1,078,557.

VAT payments made during the year amounted to ₱9,441,883.

Outstanding balance of output VAT and input VAT as at December 31, 2023 amounted to ₱637,752 and nil, respectively. Output VAT and input VAT are presented as part of "Statutory payables" under "Accounts payables and other current liabilities" and "Other current assets", respectively, in the statements of financial position.

The Company's VATable revenue are based on actual cash collections, hence may not be the same with the amounts accrued in the statements of comprehensive income.

Withholding Taxes

The categories of the Company's withholding taxes for the year ended December 31, 2023 are as follows:

Expanded withholding taxes	₱149,168,749
Compensation and benefits	36,194,497
Final taxes	8,126,472
Withholding VAT	10,082,494
Total	₱203,572,212



Taxes and Licenses and Other Matter

The Company did not have any importations nor purchases of products subject to excise tax in 2023.

The components of the Company's taxes and licenses for the year ended December 31, 2023 are as follows:

Business taxes	₱24,105,769
Real estate taxes	4,852,069
Fringe benefits tax	222,413
Community tax certificate	10,500
Barangay permit	15,015
Other taxes	25,070,345
Total	₱54,276,111

Permits and licenses included as part of business taxes amounted to ₱588,176 is presented as "Others" under "Cost of Sales and Services"

Deficiency Tax Assessments and Tax Cases

On March 9, 2023, the Company received a Formal Letter of Demand (FLD) for taxable year 2018 covering deficiency income tax, VAT, expanded withholding tax, withholding tax on compensation, and compromise penalties. Consequently, the Company filed a Protest Letter with Request for Reinvestigation.

As of February 20, 2024, the Company have yet to receive response from the BIR.

Aside from above mentioned, the Company does not have any outstanding deficiency tax assessments as at December 31, 2023.





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, 2023 and 2022, 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.

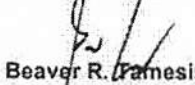
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

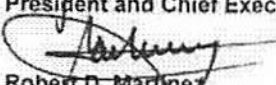
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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


Beaver R. Tamesis, MD
President and Chief Executive Officer


Robert D. Martinez
Chief Finance Officer

Signed this 20th day of February, 2024

FEB 23 2024

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
Beaver R. Tamesis, MD	PP P6844863A	April 19, 2018	La Union
Robert D. Martinez	UMID CRN-0111-0254738-9		Manila

Doc. No. 667
Page No. 25
Book No. 16
Series of 2024

ATTY ROLAND E. LAS DIÑAS
Notary Public - City of Manila
Notarial Commission No. 2023/018
Until Dec. 31, 2024
240 C.A.H. Lacson St. **Notary Public**
Roll of Attorney No. 84035
PTR No. 082924JAN 3, 2023/MLA
IBP Membership No. 24-649 / 08/20/2022
MCL.E Exempted G.D.O 1s 2009