

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: AS094-00011249
5. BIR Tax Identification Code: 004-502-082-000
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: **November 12, 2024**
Time: **10:00 A.M.**
Place: **To be conducted virtually**

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

https://us06web.zoom.us/join/register?WN=2g-1s3YrSK6pOZ5HQLz3_A#/registration
9. Approximate date on which the Information Statement is first to be sent or given to security holders: October 14, 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: November 12, 2024

Time: 10:00 A.M.

Place: To be conducted virtually

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

https://us08web.zoom.us/join/zoom/register/MN_2q-Iq3YtSK6pOZ6HQJz3_A#/registration

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 October 14, 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 November 12, 2024 special stockholders' meeting (the "Special 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 Special Meeting. No member of 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 Special Meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

- (a) The total number of shares issued and outstanding as of August 31, 2024 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 Special 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 Special Meeting is October 24, 2024 (the "Record Date").
- (c)(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 **August 31, 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 10 th Floor MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City Stockholder	MPHHI	Filipino	1,016,151,999	52.47
Common	AHI Hospital Holdings Corporation (formerly,	AHHC	Filipino	632,582,396	27.50

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 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.

	Burnungrad International Press., (Inc.) ("AHIIC") ² 10F Nat One Center, 26 th cor. 3 rd Avenue, Bonifacio Global City, Taguig, Metro Manila Stockholder				
Common	Metro Pacific Investments Corporation ("MPIC") 10th Floor MGO Building, Legazpi cor. Dela Rosa Street, Legazpi Village, Makati City Stockholder	MPIC	Filipino	108,276,743	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.

(c)(ii) Security Ownership of Management as of August 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Augusto P. Palsoc, Jr. Chairman	1 -- Direct	Filipino	Nil
Common	Beaver R. Tamesia, MD President & CEO/ Director	1 -- Direct	Filipino	Nil
Common	Manuel V. Pangilhan Director	1 -- Direct	Filipino	Nil
Common	Reymundo S. Cochungco Director	1 -- Direct	Filipino	Nil
Common	Celso Bernard G. Lopez Director	1 -- Direct	Filipino	Nil
Common	Jose Noel C. de la Paz Director	1 -- Direct	Filipino	Nil
Common	Sol Z. Alvarez Director	285,754 -- Direct	Filipino	0.02%
Common	Fernandino Jose A. Fontanilla Independent Director	442,476 -- Direct	Filipino	0.02%

² In a Proxy dated 13 April 2022, AHIIC designated Mr. Augusto P. Palsoc, Jr., or in his absence, Mr. Reymundo S. Cochungco, 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 AHIIC's proxy to represent AHIIC and vote all shares of stock in the Company owned by AHIIC 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 beneficial and directly-owned shares of stock in AHI to MPHNI. 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 MPHNI authorizing MPHNI to exercise and enjoy all rights arising from the AHI shares sold pending the transfer of legal title over the shares to MPHNI. MPIC has likewise executed a Proxy dated 13 April 2022, designating Mr. Jose Ma. K. Lim, or in his absence, Mr. Augusto P. Palsoc, 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.

Common	Carmelita I. Quebengco Independent Director	1	-- Direct	Filipino	NR
Common	Retired Chief Justice Artemio Panganiban Independent Director	1	-- Direct	Filipino	NR
TOTAL		738,240			0.04%

(c)(ii) 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.

(d) 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

No action will be taken with respect to the election of directors and officers.

6. Compensation of Directors and Executive Officers

No action will be taken with respect to the compensation of directors and officers.

7. Independent Public Accountants

No action will be taken with respect to the appointment of the independent public accountant/s.

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, which was approved by the Board of Directors at its regular meeting held on April 30, 2024 and by the Stockholders at the annual stockholders' meeting held on April 30, 2024, is attached hereto Annex "B".

D. OTHER MATTERS

10. Action with Respect to Reports

At the Special Meeting, the following matters will be presented to the stockholders for approval:

- a. Approval of the Minutes of the Annual Meeting of the Stockholders held on 30 April 2024;
- b. Ratification of the Board of Directors' approval of the following amendments to AHI's Articles of Incorporation:
 - i. First Article: Change in the corporate name from "ASIAN HOSPITAL, INC." to "*ASIAN HOSPITAL, INC. doing business as 'Asian Hospital and Medical Center' and 'Asian Health and Medical Clinics'*";
 - ii. Second Article: Change in the primary purpose of AHI to include the provision of "*training and development to its own professionals, as well as other trainees and professionals in medicine, nursing, pharmacy, and all other fields related to healthcare.*"; and
 - iii. Third Article: Change in the principal office address of AHI to "*2205 Civic Drive, Fillinvest Corporate City, Alabang, Muntinlupa City.*"

The draft minutes of the 2024 Annual Meeting of the Stockholders is attached hereto as Annex "C" and will be made available to all stockholders as of record date along with the Information Statement.

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

On September 3, 2024, the Board of Directors approved the following amendments to AHI's Articles of Incorporation:

Current Provision in the Articles of Incorporation	Proposed Amendment to Articles of Incorporation (Amendments underscored)	Rationale and General Effect of Amendment
<p>FIRST: That the name of the said corporation shall be:</p> <p>"ASIAN HOSPITAL, INC."</p>	<p>FIRST: That the name of the said corporation shall be:</p> <p>"ASIAN HOSPITAL, INC." doing business as <u>"Asian Hospital and Medical Center"</u> and <u>"Asian Health and Medical Clinics"</u></p>	<p>The amendment is intended to authorize and formalize AHI's use of the following business/trade names: "Asian Hospital and Medical Center" (for the hospital facility) and "Asian Health and Medical Clinics" (for the additional spaces at The Mercedian).</p>
<p>SECOND: That the purpose for which the said corporation is formed are:</p> <p><u>PRIMARY PURPOSE</u></p> <p>To establish, maintain, operate, own and manage hospitals, medical and other related healthcare facilities and businesses including pharmacies, diagnostic 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, provided that purely professional, medical or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and who shall be freely and voluntarily contracted by the patient in need of such services.</p>	<p>SECOND: That the purpose for which the said corporation is formed are:</p> <p><u>PRIMARY PURPOSE</u></p> <p>To establish, maintain, operate, own and manage hospitals, medical and other related healthcare facilities and businesses including pharmacies, diagnostic 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, provided that purely professional, medical or surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with the hospitals and who shall be freely and voluntarily contracted by the patient in need of such services; <u>and to provide training and development to its own professionals, as well as other trainees and professionals in medicine, nursing, pharmacy,</u></p>	<p>The inclusion of certain additional primary purposes is intended to satisfy the Professional Regulation Commission's ("PRC's") requirements for the accreditation of Continuing Professional Development ("CPD") Providers.⁴</p> <p>With this amendment and upon compliance with the other requirements of the PRC, AHI would be able to conduct the training and development of professionals as a PRC - accredited CPD Provider.</p>

⁴ PRC Resolution No. 1032, series of 2017.

	<u>and all other fields related to healthcare.</u>	
THIRD: That the place where the principal office of the Corporation is to be established or located is at Metro Manila, Philippines.	THIRD: That the place where the principal office of the Corporation is to be established or located is at <u>2205 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City.</u>	The amendment is intended to comply with the Securities and Exchange Commission's ("SEC's") requirement that a corporation's specific principal office address (not simply a city, town, municipality or 'Metro Manila') be indicated in its AOI. ⁵

13. Other Proposed Action

There are no other matters to be taken up during the Special 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 either a majority or two-thirds of the outstanding capital stock of AHI.
- (c) AHI will dispense with the physical attendance of stockholders at the Special Meeting of the stockholders and will allow attendance only by remote communication. Voting may be done electronically in absentia, or 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_2q-Ja3YISK6pQZ8HQJz3_A#/registration
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 AHI'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.

⁵ SEC Memorandum Circular No. 6, series of 2016 in relation to SEC Memorandum Circular No. 9, series of 2015.

- (i) The detailed instructions for participation through remote communication are set forth in Annex "D" – Requirements and Procedures for Registration and Electronic Voting in Absentia.

In all items for approval, each share of stock entitles its registered owner to one vote.

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 through 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 Special Meeting.

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 30 September 2024.

ASIAN HOSPITAL, INC.

By:


GILBERT RAYMUND T. REYES
Corporate Secretary

ANNEX "A"
NOTICE OF MEETING

NOTICE OF VIRTUAL SPECIAL MEETING OF STOCKHOLDERS

Please be advised that a Special Meeting of the stockholders of ASIAN HOSPITAL, INC. will be conducted online on Tuesday, 12 November 2024 at 10:00 A.M. Stockholders may watch and participate in the proceedings by registering at the following URL address (<https://us06web.zoom.us/join/registration?wv=2g-1s3YtSK6pOZ8HQJz3A#registration>) 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 the Stockholders held on 30 April 2024
- d. Approval and ratification of the following amendments to the Articles of Incorporation:
 - i. Change in the corporate name from "ASIAN HOSPITAL INC." to "ASIAN HOSPITAL, INC." doing business as "Asian Hospital and Medical Center" and "Asian Health and Medical Clinics";
 - ii. Change in the primary purpose of AHI to include the provision of "training and development to its own professionals, as well as other trainees and professionals in medicine, nursing, pharmacy, and all other fields related to healthcare."; and
 - iii. Change in the principal office address of AHI to "2205 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City."
- e. Adjournment

The minutes of the 2024 Annual Meeting of the 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 October 24, 2024 as the record date for the determination of stockholders entitled to notice of and to vote at the Special Meeting of Stockholders.

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. Voting shall be done electronically in absentia or 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 November 4, 2024 to AHI's stock and transfer agent at:

PROFESSIONAL STOCK TRANSFER INC.
10th Floor Telecom Plaza, 316 Gil Puyal 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)

AHI's stock and transfer agent shall then submit all proxies received to the Corporate Secretary. Proxy validation shall be held on 5 November 2024.

Stockholders intending to participate by remote communication should notify AHI by email to ahiagminfo@asianhospital.com on or before November 4, 2024.

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.

Very truly yours,


GILBERT RAYMUND T. REYES
Corporate Secretary

SAMPLE PROXY FORM FOR INDIVIDUALS

PROXY

The undersigned stockholder of **ASIAN HOSPITAL, INC.**, a corporation duly organized and existing under the laws of the Philippines ("AHI"), do hereby nominate, constitute and appoint _____, or in his/her absence, the Chairman of the meeting, as my true and lawful attorney-in-fact and proxy, to represent the undersigned at all annual and/or special meetings of the stockholders of AHI, and any adjournment(s) or postponement(s) thereof.

The undersigned hereby authorizes the proxy/substitute proxy to exercise full discretion to act and vote all shares of stock in AHI which the undersigned owns.

Hereby giving and granting unto the said proxy/substitute proxy full power and authority to do and perform every legal act and thing whatever requisite or necessary to be done in and about the premises as fully to all intents and purposes as the undersigned might or could lawfully do, and confirming all that the said proxy/substitute proxy shall lawfully do or cause to be done by virtue hereof.

This Proxy shall be valid for a period of five (5) years from the date hereof unless sooner terminated in writing copy furnished the Corporate Secretary of AHI.

Signed this _____ at _____.

Printed Name of Stockholder : _____

Signature of Stockholder : _____

Date : _____

SAMPLE PROXY FORM FOR CORPORATIONS

PROXY

_____ a corporation duly organized and existing under the laws of the Philippines (the "Company"), acting through its duly authorized representative (as per the Secretary's Certificate attached hereto as Annex "A"), does hereby name and appoint _____, or in his/her absence, the Chairman of the meeting, as the Company's true and lawful attorney-in-fact and proxy, to represent the Company at all annual and/or special meetings of the stockholders of ASIAN HOSPITAL, INC. ("AHI"), and any adjournment(s) or postponement(s) thereof.

The Company hereby authorizes the proxy/substitute proxy to exercise full discretion to act and vote all shares of stock in AHI which the Company owns.

Heraby giving and granting unto the said proxy/substitute proxy full power and authority to do and perform every legal act and thing whatever requisite or necessary to be done in and about the premises as fully to all intents and purposes as the Company might or could lawfully do, and confirming all that the said proxy/substitute proxy shall lawfully do or cause to be done by virtue hereof.

This Proxy shall be valid for a period of five (5) years from the date hereof unless sooner terminated in writing copy furnished the Corporate Secretary of AHI.

Signed this _____ at _____.

Printed Name of Corporate Stockholder : _____

Printed Name of Authorized Representative : _____

Signature of the Authorized Representative : _____

Date : _____

SAMPLE SECRETARY'S CERTIFICATE FOR CORPORATE SHAREHOLDERS

ANNEX A TO PROXY FOR CORPORATE SHAREHOLDER

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, hereby certify that:

1. I am the duly appointed Corporate Secretary of _____ (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____.
2. I hereby certify that at the Regular/Special Meeting of the Board of Directors held on _____, at which a quorum was present and acting throughout, the following resolution was unanimously approved:

***RESOLVED, That _____ is hereby authorized to: (a) designate the persons to be nominated by the Company for election as directors in ASIAN HOSPITAL, INC. ("AHI"), in which the Company owns or holds of record or beneficially shares of stock, (b) to represent and vote the shares of stock owned or held by the Company in any meeting of the stockholders, as he/she may deem necessary or appropriate, to designate/appoint a person he/she may deem fit as proxy or attorney-in-fact, with full power of designation and substitution to represent and vote the shares of stock owned or held by the Company in any meeting of the stockholders of AHI, and (c) sign in behalf of the Company any nomination letter, voting instruction and proxy form or special power of attorney and other instruments in connection with any and all of the foregoing matters and in the exercise of the authority granted to the Company's authorized representative under this resolution;**

RESOLVED, FURTHER, That AHI shall be furnished with a certified copy of this resolution and AHI may rely on the continuing validity of this resolution until receipt of written notice of its revocation.*

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Company presently in my custody.

IN WITNESS WHEREOF, I have signed this Secretary's Certificate on _____

NAME
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____, Affiant exhibited to me his/her competent evidence of identity by way of _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2022.

ANNEX "B"
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





SyCgo Gorres Veloso & Co.
8350 Ayala Avenue
1226 Makati City
Philippines

Tel: (832) 8891 0307
Fax: (832) 8810 0872
sgv.com/phil

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.



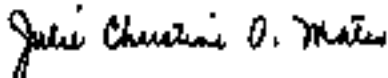
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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)	P1,400,291,683	P1,017,269,222
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	P6,394,101,898	P5,689,184,589
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 10, 12 and 22)	P1,064,133,664	P776,729,981
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	P6,394,101,898	P5,689,184,589

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)	(1,038,458,887)	(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	232,815,020	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	₱ 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	1,034,032,691	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	1,034,032,691	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	1,034,745,019	185,465,780	3,002,839,764	(998,246)	5,122,052,317
Cash dividends (Note 11)	-	-	(317,623,436)	-	(317,623,436)
BALANCES AT DECEMBER 31, 2022	1,034,745,019	185,465,780	2,685,216,328	(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	1,035,520,327	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	₱ 1,035,520,327	₱ 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)	378,256,043	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)	(28,576,268)	(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	(28,470,438)	64,460,317	(4,914,741)
Other current assets	(14,783,565)	(5,497,133)	1,311,789
Increase (decrease) in:			
Accounts payable and other current liabilities	166,346,148	100,596,096	19,038,259
Due to a related party	(8,526,276)	(1,872,894)	(3,661,387)
Cash generated from operations	1,385,323,218	1,145,024,099	786,837,984
Interest received	18,876,268	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)	(129,431,911)
Net cash from operating activities	1,132,819,798	972,661,197	639,333,190
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Notes 8 and 24)	(374,897,689)	(332,442,329)	(251,312,675)
Software and licenses (Notes 9 and 24)	(28,825,502)	(31,140,462)	(4,248,076)
Proceeds from disposal of property and equipment (Note 8)	2,973,889	1,432,661	23,447
Decrease (increase) in:			
Advances to contractors	(6,165,805)	20,884,930	(28,504,908)
Other noncurrent assets	(68,582)	(152,807)	55,000
Net cash used in investing activities	(396,198,689)	(341,418,007)	(283,985,212)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payments of:			
Dividends (Notes 11 and 24)	(344,538,710)	(316,911,128)	(52,174,393)
Lease liability (Note 23)	(4,159,375)	(4,235,000)	(3,850,000)
Interest (Note 18)	-	(17,223)	-
Cash used in financing activities	(348,698,085)	(321,163,351)	(56,024,393)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,508,638)	14,603,406	5,796,747
NET INCREASE IN CASH AND CASH EQUIVALENTS	383,822,381	330,683,245	305,120,332
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,017,269,122	686,585,977	381,465,645
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P1,400,291,503	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 Bummrigrad International Philippines, Inc. (BIP1) on July 1, 2014. BIP1 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. Ugoog, 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:

	Number of Years
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 later, 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	P752,262,688	P804,840,474
Time deposit	648,028,915	212,428,748
	P1,400,291,603	P1,017,269,222

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 P20.5 million, P3.8 million and P1.1 million in 2023, 2022 and 2021, respectively.

5. Receivables

	2023	2022
Trade:		
Health maintenance organizations (HMO) Philippine Health Insurance Corporation (PhilHealth)	P226,675,143	P115,458,513
Self-pay	187,695,948	315,431,108
Corporate accounts	151,826,045	131,525,537
International insurance	96,638,348	48,713,719
Others	56,607,635	17,270,744
Nontrade	35,915,019	29,370,448
	48,903,693	36,946,110
	796,261,831	694,716,179
Less allowance for ECL	267,325,242	328,221,321
	P528,936,589	P366,494,858

Movements in the allowance for ECL follow:

	2023	2022
Beginning balances	P328,221,321	P382,093,621
Provision for ECL (Note 14)	125,556	-
Write off	(61,021,635)	(53,872,300)
Ending balances	P267,325,242	P328,221,321

The Company's outstanding trade receivables from related parties amounted to P47.3 million and P5.4 million as at December 31, 2023 and 2022, respectively (see Note 22).

Interest income earned from late payment charges totaled P0.4 million, P0.7 million and P0.2 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	P74,753,601	P56,865,399
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
	P178,621,082	P164,156,796

The cost of medicines and medical supplies carried at net realizable value amounted to P9.5 million and P7.7 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	P7,663,170	P10,617,532
Provision for inventory obsolescence (Note 13)*	6,006,172	2,930,727
Write off	(4,195,980)	(5,885,089)
	P9,473,362	P7,663,170

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

7. Other Current Assets

	2023	2022
Prepaid expenses	P36,667,090	P23,347,234
Creditable withholding tax (CWT)	15,146,622	11,536,648
Input VAT	-	146,265
	P51,813,712	P35,030,147

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	\$946,008,432	\$3,316,316,099	\$1,169,299,848	\$266,692,410	\$1,498,014,342	\$424,794,024	\$403,734,479	\$17,473,640	—	\$8,495,918,312
Additions	—	—	19,464,000	14,167,963	238,706,630	54,894,287	6,109,474	—	152,748,566	489,891,908
Reclassifications	—	54,263,108	5,893,923	—	—	—	—	—	(39,437,839)	—
Deposits	—	—	—	—	(17,847,345)	(18,136,851)	(1,857,766)	—	—	(38,888,962)
Ending balances	\$946,008,432	\$3,370,579,198	\$1,193,657,769	\$280,860,373	\$1,718,873,227	\$459,657,260	\$411,985,713	\$17,473,640	\$123,310,727	\$8,944,968,600
Accumulated Depreciation										
Beginning balances	—	1,457,303,909	493,497,354	287,141,853	1,958,138,539	434,408,318	93,845,387	10,862,187	—	4,094,496,781
Depreciation (Notes 13 and 14)	—	91,145,343	38,750,244	5,124,804	174,616,181	45,384,914	5,915,560	4,178,894	—	378,891,130
Disposals	—	—	—	—	(16,388,154)	(8,677,238)	(1,035,554)	—	—	(26,011,046)
Ending balances	—	\$1,548,449,252	\$541,247,598	\$292,266,657	\$1,935,966,566	\$470,115,994	\$98,725,397	\$15,041,081	—	\$4,020,848,445
Accumulated Impairment Losses	—	—	—	—	10,943	3,884	(33,533)	—	—	118,408
Net Book Value	\$946,008,432	\$3,226,338,326	\$649,410,171	\$58,593,716	\$782,906,661	\$98,541,266	\$313,260,316	\$2,432,559	\$123,310,727	\$4,924,120,155

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	\$946,008,432	\$3,182,490,665	\$1,160,539,848	\$238,439,646	\$2,426,322,246	\$493,465,899	\$410,474,369	\$9,125,909	\$19,787,220	\$6,149,196,724
Additions	—	—	8,710,080	1,202,764	117,177,833	37,865,278	5,260,962	8,333,793	124,132,246	310,135,807
Reclassifications	—	(33,419,425)	—	—	20,580,000	—	—	—	(433,918,423)	—
Deposits	—	—	—	—	(56,215,617)	(6,138,344)	(1,030,038)	—	—	(63,384,009)
Ending balances	\$946,008,432	\$3,149,071,240	\$1,169,249,848	\$239,642,410	\$2,490,661,252	\$524,282,825	\$414,705,293	\$9,125,909	—	\$6,495,918,312
Accumulated Depreciation										
Beginning balances	—	963,466,309	643,330,902	248,718,364	1,835,329,226	384,350,252	88,179,410	6,832,828	—	4,199,773,690
Depreciation (Notes 13 and 14)	—	87,716,540	30,366,294	4,425,280	188,346,638	64,905,293	5,832,360	3,979,279	—	365,592,184
Disposals	—	—	—	—	(68,232,293)	(5,348,337)	(956,932)	—	—	(74,537,562)
Ending balances	—	\$1,051,182,849	\$673,697,196	\$253,143,644	\$1,945,443,561	\$443,907,213	\$93,054,838	\$10,812,107	—	\$4,020,848,445
Accumulated Impairment Losses	—	—	—	—	10,943	3,884	(33,533)	—	—	118,408
Net Book Value	\$946,008,432	\$3,097,888,391	\$495,552,652	\$86,498,766	\$545,217,691	\$79,375,612	\$321,650,455	\$1,313,802	—	\$2,474,369,867



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

	2023	2022	2021
Net book value	P3,028,612	P1,583,125	P51,888
Less: Proceeds	2,973,889	1,432,661	25,447
Trade-in value	1,140,000	89,285	-
Loss (gain) on disposals	(P1,045,277)	P61,179	P26,441

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	P28,848,590	P23,502,922
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
	P80,899,491	P67,205,778

a. Software and licenses as of December 31 follow:

	2023	2022
Cost		
Beginning balances	P187,880,357	P163,409,719
Additions	21,552,376	24,470,638
Retirement	(790,000)	-
Ending balances	209,642,733	187,880,357
Accumulated Amortization		
Beginning balances	164,377,435	151,411,172
Amortization (Notes 13 and 14)	18,658,097	12,966,263
Retirement	(241,389)	-
Ending balances	179,794,143	164,377,435
Net Book Value	P28,848,590	P23,502,922

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	P17,168,000	P8,468,000
Unrealized gain on changes in fair value	2,500,000	8,700,000
Ending balance	P19,668,000	P17,168,000



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	P14,535,000	P5,835,000
Unrealized gain on changes in fair value	2,540,000	8,700,000
Ending balance (Note 11)	P17,035,000	P14,535,000

- d. As at December 31, 2023, and 2022, refundable deposits consist of Merulco 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	P4,123,808	P4,123,808
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	P2,006,916	P2,171,869

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	P558,809,289	P359,359,438
Accrued expenses	281,194,450	215,826,642
Accrued physician fees	109,948,335	64,575,644
Statutory payables	36,815,577	24,410,253
Contract liabilities (Note 12)	12,836,019	11,087,241
Refund payable	11,271,915	6,891,737
Retention payable	8,479,106	8,501,957
Others	47,378,973	86,077,065
	P1,864,133,664	P776,729,981

- 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 P54.9 million and P25.0 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	P90,973,336	P47,285,304
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
	P281,194,450	P215,826,642

- 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 availed to maintain credit facility amounting to P5.0 million.

11. Equity

Capital Stock

	Number of Shares	
	2023	2022
Authorized - P1 par value	1,000,000,000	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	₹0.1198	₹1,936,728,391	₹230,470,679
December 30, 2022	December 5, 2022	December 28, 2022	0.8595	1,936,728,391	1,65,230,539
					₹395,706,818

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	₹0.882	₹1,936,728,391	₹178,811,728
December 3, 2021	December 17, 2021	December 21, 2021	0.882	1,936,728,391	178,811,728
					₹357,623,456

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	₹7,835,009	14,535,000	5,835,000
	(₹31,014,575)	(₹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	276,887,436	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)	199,218,884	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	2,140,625,628	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	P53,687,935	P33,962,148	P31,105,111
Communication, light and water (Note 22)	52,327,530	57,091,281	42,140,709
Supplies	23,067,355	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
	P1,038,450,887	P960,444,520	P1,044,422,200

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)	P19,354,984	P12,370,622	P10,799,702
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
	P59,970,746	P88,612,043	P52,891,717

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)	P3,541,749	P936,230	P727,278
Interest expense on lease liability (Note 23)	216,029	172,716	201,757
Bank charges	486,538	344,311	288,183
	P4,244,316	P1,453,257	P1,217,218

17. Personnel Costs

	2023	2022	2021
Salaries and wages (Notes 13 and 14)	P848,752,864	P680,891,340	P648,176,292
Retirement benefits cost (Note 18)	11,834,159	9,568,309	16,186,478
	P860,587,023	P690,459,649	P664,362,770

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 Statements of Comprehensive Income				Reconciliations to Other Comprehensive Income						
	Current		Net Interest**	Subtotal	Contributions and Amounts Included in Net Interest	Return on Plan Assets (Excluding Changes Arising from Changes in Demographic Assumptions)	Actuarial Changes Arising from Changes in Financial Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	December 31, 2021
	January 1, 2021	Service Cost* (Notes 14 and 17)									
Present value of defined benefit obligation	P135,597,855	P1,314,139	P14,661,979	P21,798,124	(P4,431,999)	P-	P3,464,338	P21,349,291	P1,997,815	P28,811,255	P181,666,451
Fair value of plan assets	(85,858,235)	-	(7,424,258)	(7,134,339)	(8,331,233)	(2,218,517)	-	-	-	(2,116,517)	(101,103,211)
Accrued retirement benefits liability - net	P49,739,620	P11,114,159	P7,237,721	P14,655,986	(P13,763,232)	P1,210,517	P3,464,338	P22,349,292	P1,997,815	P30,821,772	P80,563,240

* Determined as retirement benefits cost under "Payroll Cost".
 ** Presented as an increase from retirement benefits cost under "Finance Cost".

	Net Retirement Benefits Cost in Statements of Comprehensive Income				Reconciliations to Other Comprehensive Income						
	Current		Net Interest**	Subtotal	Contributions and Amounts Included in Net Interest	Return on Plan Assets (Excluding Changes Arising from Changes in Demographic Assumptions)	Actuarial Changes Arising from Changes in Financial Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	December 31, 2020
	January 1, 2020	Service Cost* (Notes 14 and 17)									
Present value of defined benefit obligation	P106,890,781	P9,568,109	P5,415,738	P14,984,039	(P10,777,373)	P-	P37,382,438	(P11,076,146)	(P1,837,672)	P23,129,611	P131,277,894
Fair value of plan assets	(85,886,294)	-	(4,479,503)	(8,279,589)	(3,299,133)	(8,101,127)	-	-	-	(8,101,127)	(81,858,271)
Accrued retirement benefits liability - net	P20,994,487	P9,568,109	P9,934,241	P10,504,519	(P14,076,493)	P1,101,127	P37,382,438	(P11,076,146)	(P1,837,672)	P23,239,738	P49,466,781

* Determined as retirement benefits cost under "Payroll Cost".
 ** Presented as an increase from retirement benefits cost under "Finance Cost".

	Net Retirement Benefits Cost in Statements of Comprehensive Income				Reconciliations to Other Comprehensive Income						
	Current		Net Interest**	Subtotal	Contributions and Amounts Included in Net Interest	Return on Plan Assets (Excluding Changes Arising from Changes in Demographic Assumptions)	Actuarial Changes Arising from Changes in Financial Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal	December 31, 2020
	January 1, 2020	Service Cost* (Notes 14 and 17)									
Present value of defined benefit obligation	P133,940,452	P11,073,945	P3,112,893	P14,889,918	(P21,021,388)	(P14,872,303)	P-	(P2,891,232)	(P15,821,257)	(P6,612,567)	(P24,523,854)
Fair value of plan assets	(88,163,229)	-	-	(8,113,633)	(8,113,633)	(5,375,833)	(3,346,289)	-	-	(3,346,289)	(86,186,294)
Accrued retirement benefits liability - net	P45,777,223	P11,073,945	P3,112,893	P17,277,211	(P14,981,736)	(P14,348,396)	P1,346,289	(P2,891,232)	(P15,821,257)	(P6,612,567)	(P21,003,567)

* Determined as retirement benefits cost under "Payroll Cost".
 ** Presented as an increase from retirement benefits cost under "Finance Cost".



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%	0.80%	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	₱3,579,853	₱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	1,476,187	(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	85.98%	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%	(P17,372,226)	1.0%	(P12,629,842)
	(1.0%)	20,267,703	(1.0%)	14,685,771
Future salary increases	1.0%	19,975,915	1.0%	14,666,720
	(1.0%)	(17,457,282)	(1.0%)	(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 of 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 P5.0 million and with total assets not exceeding P100.0 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	P227,921,838	P135,748,749	P138,347,773
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)
	<u>232,015,020</u>	<u>136,496,847</u>	<u>131,214,675</u>
Deferred	9,965,976	16,382,397	(6,958,082)
	<u>P241,980,996</u>	<u>P152,879,244</u>	<u>P124,256,593</u>

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 P13,325,851, P431,852 and P20,661,871, 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	P66,831,311	P82,055,331
Inventory obsolescence	2,368,341	1,915,792
Accrued retirement benefits liability - net	19,260,373	12,417,197
Accrued service incentive	9,766,085	5,727,686
Difference between the depreciation expense per books and the depreciation expense deducted for income tax purposes	6,161,330	10,912,272
Accrued expenses	5,913,459	3,750,000
Unamortized post service cost	5,687,694	5,908,862

(Forward)



	2023	2022
Right-of-use asset	P1,488,826	P435,303
Rental deposit	832,169	542,388
Allowance for possible loss of equipment	29,608	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)
	P117,264,124	P119,724,657
Deferred tax asset recognized in other comprehensive loss - actuarial loss on accrued retirement benefits liability	P7,505,443	P8,307,685

- 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	P233,941,792	P153,068,356	P110,996,666
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	1,030,743	-	-
Provision for income tax	P241,988,996	P152,879,244	P124,256,593

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	P1,064,333,664	P776,729,981
Accrued retirement benefits liability - net	80,583,240	49,668,781
Income tax payable	95,298,555	45,900,003
Due to a related party	20,818,444	10,292,168
Lease liability	-	2,164,796
	P1,260,833,903	P884,755,728
Tangible net worth (b):		
Capital stock	P1,935,520,327	P1,934,745,019
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
	P5,104,419,405	P4,780,925,939
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			Total
	Amortized Cost	Financial Asset at FVOCI	Financial Liabilities	
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

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

**Excluding statutory payables and contract liabilities amounting to ₱35.1 million and ₱12.0 million, respectively, as at December 31, 2023

***Includes future interest payments

	December 31, 2022			Total
	Amortized Cost	Financial Asset at FVOCI	Financial Liabilities	
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

*Including cash on hand amounting to ₱13.1 million as at December 31, 2022

**Including 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*	P1,388,243,915	P1,002,195,600	P1,384,408,614	P998,195,600
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	17,163,000	19,668,000	17,163,000
	P1,943,508,474	P1,392,669,235	P1,938,671,173	P1,388,669,235

⁽¹⁾Gross financial assets before netting (no 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 P12.0 million and P15.1 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:

	Net/Total Asset by/for	December 31, 2023						Provision by ECL	Total
		<30 Days	Past Due				>120 Days		
			30-60 Days	61-90 Days	91-120 Days	>120 Days			
Cash and cash equivalents*	P1,388,243,915	-	-	-	-	-	-	-	P1,388,243,915
Receivables									
Trade:									
HMO	40,942,393	36,825,183	19,932,394	8,793,818	3,843,646	6,823,968	(12,233,364)	214,241,759	
Corporate insurance	22,442,432	27,725,825	28,441,383	5,071,713	3,852,988	4,341,192	(3,868,823)	96,328,295	
PHILHealth	17,954,913	21,639,198	13,897,301	15,706,646	12,207,423	10,289,758	(12,237,579)	72,171,419	
International insurance	11,886,401	22,672,421	4,664,236	4,251,840	1,325,142	773,819	(6,683,447)	60,334,946	
Self-pay	11,269,481	6,894,134	3,479,182	3,181,776	3,088,282	118,293,818	(120,334,834)	21,881,821	
Others	11,407,468	46,139,661	426,424	6,311,664	2,426,979	283,289	-	10,911,897	
Non-trade:	3,088,339	7,778,443	-	-	-	-	-	14,674,128	
Refundable deposits**	6,657,970	-	-	-	-	-	-	6,657,970	
Financial asset at FVOCI**	19,668,000	-	-	-	-	-	-	19,668,000	
	P1,431,232,389	P215,182,239	P47,897,233	P47,345,796	P36,801,333	924,153,368	(99,973,813)	P1,463,341,274	

*Excluding cash on hand amounting to P12.0 million as at December 31, 2023.

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



	December 31, 2022							Provision for ECL	Total
	Maturities Due over 90 days	Past Due					Provision for ECL		
		<30 Days	30-60 Days	61-90 Days	91-120 Days	>120 Days			
Cash and cash equivalents*	\$6,602,171,600	-	-	-	-	-	-	\$1,002,193,689	
Trade:									
Trade receivables	19,374,433	11,737,421	23,899,665	33,166,362	19,579,535	343,343,222	489,115,977	120,974,474	
BANK	63,418,454	38,673,474	6,426,189	1,313,863	1,329,944	2,119,378	(437,731)	115,820,298	
Corporate accounts	13,834,795	18,643,990	4,464,216	2,669,178	339,228	362,379	(115,370)	48,296,269	
Business travel expenses	4,071,821	6,258,194	2,371,065	1,301,631	2,828,646	349,223	(7,661,267)	13,349,253	
Self-pay	4,810,284	3,487,735	1,411,297	1,164,430	1,972,613	118,649,379	(134,200,478)	7,323,663	
Others	13,879,198	16,582,990	157,548	183,482	83	1,309,232	-	39,370,448	
Nontrade	4,859,735	9,460,390	3,313,576	13,977,410	627,540	6,417,243	46,910,280	70,015,324	
Refundable deposits**	6,810,737	-	-	-	-	-	-	8,810,737	
Financial assets at FVOCI**	17,868,000	-	-	-	-	-	-	23,168,000	
	\$6,136,946,121	\$74,617,240	\$44,308,051	\$49,492,650	\$21,736,495	\$141,343,344	\$926,821,321	\$1,312,640,134	

* Excluding cash on hand amounting to P1.7 million as of 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*	\$1,388,245,915	-	-	\$1,388,245,915
Trade receivables	520,232,141	235,125,997	-	755,358,138
Nontrade receivables	34,772,132	6,131,561	-	40,903,693
Refundable deposits**	6,687,978	-	-	6,687,978
Total financial assets	\$1,949,938,166	\$241,257,558	-	\$2,191,195,724

* Excluding cash on hand amounting to P12.0 million.
 ** Included as part of "Other noncurrent assets" account.



	December 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
	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*	P703,717,099	P645,031,913	P-	P-	P-	P-	P1,348,749,012
Trade receivables	-	494,258,471	-	-	-	-	494,258,471
Nontrade receivables	-	24,678,888	-	-	-	-	24,678,888
Refundable deposits	-	-	6,457,870	-	-	-	6,457,870
Financial assets at FVOCI	-	-	19,608,000	-	-	-	19,608,000
Total financial assets	703,717,099	1,163,969,272	26,065,870	-	-	-	1,893,752,141
Accounts payable and other current liabilities**	-	1,044,817,271	-	-	-	-	1,044,817,271
Due to a related party	-	20,818,444	-	-	-	-	20,818,444
Lease liability***	-	3,144,796	-	-	-	-	3,144,796
Total financial liabilities***	-	1,068,780,511	-	-	-	-	1,068,780,511
Liquidity position (gap)	P703,717,099	P95,188,761	P26,065,870	P-	P-	P-	P904,972,622

* Excluding cash on hand amounting to P15.0 million as at December 31, 2023.
 ** Excluding accounts payable and other current liabilities amounting to P228 million and P15.0 million, respectively, as at December 31, 2023.
 *** Included 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	P212,428,744	P-	P-	P-	P-	P1,002,195,596
Trade receivables	-	336,479,038	-	-	-	-	336,479,038
Nontrade receivables	-	30,081,829	-	-	-	-	30,081,829
Refundable deposits	-	-	6,810,777	-	-	-	6,810,777
Financial assets at FVOCI	-	-	17,168,000	-	-	-	17,168,000
Total financial assets	789,766,852	578,989,611	23,978,777	-	-	-	1,392,694,239
Accounts payable and other current liabilities**	-	777,289,137	-	-	-	-	777,289,137
Due to a related party	-	10,292,168	-	-	-	-	10,292,168
Lease liability***	-	6,146,962	3,184,396	-	-	-	9,331,358
Total financial liabilities***	-	793,628,267	3,184,396	-	-	-	796,812,663
Liquidity position (gap)	P789,766,852	(15,638,656)	P20,794,381	P-	P-	P-	P605,881,576

* Excluding cash on hand amounting to P11.1 million as at December 31, 2022.
 ** Excluding accounts payable and other current liabilities amounting to P24.8 million and P1.1 million, respectively, as at December 31, 2022.
 *** Included 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) P1.13 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.

Parties	Nature of transactions	Transactions for the year		Outstanding balances		Terms	Conditions
		2023	2022	2023	2022		
MPHC	Management fee	P11,345,385	P11,686,151	P7,256,704	P6,493,144	Due every month. Cash payment adjusted for the changes in the CPI	Unsecured
	Legal	68,244	-	3,544,258	2,894,218	Due upon receipt of invoice	Unsecured
	Group purchasing	800,000	800,000	1,245,716	1,163,714	Due upon receipt of invoice	Unsecured
	Other services	9,812,098	-	9,633,746	-	Due upon receipt of invoice	Unsecured
	Total	P21,225,100	P13,286,151	P20,680,444	P10,292,468		



On September 22, 2023, the Company entered into a Memorandum of Agreement with Medi Link 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 transactions	Transactions for the year		Outstanding balances		Terms	Conditions
		2023	2022	2023	2022		
Receivables							
Affiliate Under Common Control							
Philippine Long Distance Telephone Company	Hospital bills	₱43,250,329	₱21,648,457	₱27,636,846	₱1,713,660	30 days non interest-bearing	Unsecured
Medi Link Laboratory Inc.	Retail Invoice	18,668,538	-	18,668,538	-	30 days non interest-bearing	Unsecured
Suan Communications, Inc.	Retail Invoice	1,467,285	1,574,938	601,748	439,133	30 days non interest-bearing	Unsecured
Metrol Pacific Investments Corporation	Hospital Bills	458,180	646,795	323,863	178,864	30 days non interest-bearing	Unsecured
Metrol Pac Water Investments Corp.	Hospital Bills	21,428	22,849	22,828	22,828	30 days non interest-bearing	Unsecured
		₱64,886,841	₱25,523,879	₱67,294,136	₱5,351,299		
Payables							
Affiliate Under Common Control							
Manila PowerGen Corporation	Availability of electric services	₱136,401,663	₱145,587,682	₱10,711,164	₱14,274,940	30 days non interest-bearing	Unsecured
Medi Link Laboratory Inc.	Laboratory services and purchase of supplies	29,264,093	41,831,247	44,879,248	10,140,243	30 days non interest-bearing	Unsecured
Philippine Long Distance Telephone Company	Availability of communication services	5,681,892	4,746,063	-	449,819	30 days non interest-bearing	Unsecured
Suan Communications, Inc.	Availability of communication services	1,391,313	1,359,531	82,457	102,102	30 days non interest-bearing	Unsecured
Metrol Pac Water Services Inc.	Availability of electric services	183,118	292,133	27,264	10,011	30 days non interest-bearing	Unsecured
Bay Medical Hospital Manager Corporation	Availability of medical services	-	142,042	-	-	30 days non interest-bearing	Unsecured
		₱143,923,079	₱193,808,738	₱56,820,136	₱24,977,137		

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 those 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	P12,414,272	P8,895,938
Operating expenses	9,482,858	8,746,456
	P21,907,130	P17,642,394

24. Note to Statements of Cash Flows

- a. Principal non-cash investing activities pertain to the unpaid acquisitions of property and equipment amounting to P136.2 million and P11.4 million for years ended December 31, 2023 and 2022, respectively, and unpaid acquisition of software and licenses amounting to nil and P7,994 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	P-	P5,998,555
Cash flow (see Statements of Cash Flows)		
Payments of/for:		
Lease liability	P-	(P3,850,000)
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	P-	P2,342,312

Cash flow (see Statements of Cash Flows)		
Payments of/for:		
Lease liability	P-	(P4,235,000)
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	P-	P6,108,142



	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(7) 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	P19,354,904	P2,322,588
Others	104,400,273	12,528,033
VAT exempt	4,432,355,890	-
Total	P4,556,111,067	P14,850,621

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	P146,265
Current year's domestic purchases/payments for:	
Domestic purchase of goods other than capital goods	
Domestic purchase of services	4,768,127
Applied against output VAT	(4,914,392)
Balance at December 31, 2023	P-

Input VAT claimed from Meralco for the year ended December 31, 2023 amounted to P1,078,557.

VAT payments made during the year amounted to P9,441,883.

Outstanding balance of output VAT and input VAT as at December 31, 2023 amounted to P637,752 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 revenues 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	P149,168,749
Compensation and benefits	36,194,497
Final taxes	8,126,472
Withholding VAT	10,082,494
Total	P203,572,212



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	P24,105,769
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	P54,276,111

Permits and licenses included as part of business taxes amounted to P588,176 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.



ANNEX "C"
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING DATED APRIL 30, 2024

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

Held on 30 April 2024
Via videoconference

PRESENT:

TOTAL NUMBER OF SHARES PRESENT OR REPRESENTED AT THE MEETING	1,724,793,449
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 Raymond 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 was published in the business section of The Philippine Star and the Philippine Daily Inquirer, both in print and online format, on April 5 and 6, 2024, as required under the Notice posted by the Securities and Exchange Commission ("SEC") on 23 February 2024 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 2024*. Likewise, electronic copies of the Notice of Virtual Annual Stockholders' Meeting, Information Statement, Management Report, SEC Form 17-A, and other pertinent documents were posted at the website of the 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 1,724,793,449 shares out of the 1,936,728,391 total outstanding shares, which represents at least 89.0571% of the total issued and outstanding capital stock of the Corporation.

3. Approval of Minutes of the Annual Stockholders' Meeting Held on 2 May 2023

The next item on the agenda was the approval of the minutes of the Annual Stockholders' Meeting held on 2 May 2023. The Chairman informed the stockholders that a copy of the minutes had been uploaded to the Hospital's website prior to the meeting.

Dr. Robert Ten-Gatus, a stockholder, moved to approve the minutes of the Annual Stockholders' Meeting held on 2 May 2023. Dr. Aina Sales-Diaz, another stockholder, seconded the motion.

There being no objection, the Chairman declared the minutes of the Annual Stockholders' Meeting held on 2 May 2023 approved as presented.

4. **Report of the President**

The President and Chief Executive Officer, Dr. Beaver R. Tamesis, updated the stockholders on the operations and performance of the Hospital for 2023. The salient points of his report are summarized below.

- Implementation of '*Alagang Deserve. Alagang Shift.*' program to drive the Hospital's reach to a wider and more diverse community and to ensure that every patient receives healthcare that is accessible and imbued with quality and value. Dr. Tamesis reported that:
 - Different activities and promotions were conducted to drive the program.
 - Hospital Wellness Cards were launched as part of the program.
 - A range of affordable healthcare packages, which prioritize economy, efficiency, effectiveness, comfort, safety, and patient well-being had been introduced.
 - The program has received positive feedback from patients and their families.
 - On social media, the program likewise exceeded expectations in terms of awareness and engagements. Public relations efforts generated substantial media value, and website traffic also show significant growth.
 - The program garnered a gold Anvil award for best use of social media, along with three (3) other silver Anvil awards at the 59th Anvil Awards.
 - As a whole, the program contributed to a substantial increase in revenues.
 - The program is anchored on five (5) value for money propositions: (a) expert doctors and allied professionals; (b) global standards of quality and safety; (c) comfortable healing environment; (d) compassionate and caring healthcare team; and (e) affordable packages.
 - Expert doctors and allied professionals*
 - Partnerships with media outlets were leveraged to spread crucial healthcare and business-related information to a wider audience.

- The 6th Clinical Innovation Summit was used as an avenue for the doctors to continuously improve themselves and share expertise. The Hospital likewise had partnerships with international and local institutions for the doctors' continuing education.
- Doctor engagement was strengthened through marketing and administrative support, with a total of seventy-two (72) medical events conducted. Critical new medical equipment were procured to address concerns regarding outdated technology.
- The Operating Room complex is now called the "Dr. Jorge M. Garcia Surgical Suites" and dedicated to the Hospital's founding Chairman, Dr. Jorge M. Garcia.
- One hundred sixty-five (165) new doctors were added to the Hospital's expert portfolio.
- Alliances with different schools and organizations were arranged to ensure the continuous hiring of quality nurses and allied professionals.
- A yearly employee recognition program was carried out to continuously develop, motivate, and retain talent.

Global Standards of Quality and Safety

- Programs and measures, such as the brain attack door-to-needle time and the inpatient mortality rate, are being tracked closely and continuously improved to adhere to the global standards of the Joint Commission International.
- The vision of zero harm is being pursued through patient safety triggers that are being implemented throughout the Hospital. For all the triggers, the values are lower than the global benchmark for 2023 (the lower, the better).
- The Hospital introduced new services and added more clinical and allied medical staff to meet the demand. The Management ensures that programs and activities are being implemented to maintain the culture of safety and patient safety standards.
- The Hospital received several accolades in 2023 for quality and safety.

Comfortable Healing Environment

- The new Blood Bank and Donor Center was launched in 2023.
- The 11th Floor has been repurposed from a COVID-19 floor to suites for patients needing additional comfort.
- To ease and hasten discharge transactions, the business offices were decentralized.
- The online concierge portal was launched for non-clinical needs. Additional features are intended to be added to the portal this year.

Compassionate and Caring Healthcare Team

- With respect to Patient Experience Performance, the Hospital's net promoter score soared from 38% to 83%, while the patient satisfaction score increased from 68% to 91%.

Affordable packages

- New packages suitable for a different case mix were introduced and made possible through the collaboration between Management and the doctors.
 - By creating new packages, cost of care becomes more predictable.
- Dr. Tamesis also presented the following notable statistics for the year 2023:
 - There was a 45% increase in patient census.
 - Open inpatient beds increased to over 200 from 120 (during the pandemic).
 - Operating hours of institutes, centers, and ancillary services, including the pharmacy, were extended.
 - As to the Hospital's engagement with partners and the community, Dr. Tamesis discussed the following:
 - Referral programs were established with smaller facilities, which may not have the capabilities to offer tertiary services to their patients, through the 'Hospital Engagement and Alliances Linkages' or 'HEAL' program.
 - Eleven (11) events with corporate partners were held in 2023, which resulted in a 38% increase in the corporate business.
 - Community caravans were conducted in the Hospital's surrounding villages.
 - Dr. Tamesis then reported on AHI's Corporate Social Responsibility programs, which were coursed through Asian Hospital Charities, Inc. (AHCIT):
 - More than seven hundred thirty (730) patients were given support in 2023.
 - Funding and free services were given to patients through the Medical Access Program.
 - Fifteen (15) pediatric cancer patients received medical assistance through the Cancer Care Access Program, a tie-up with the Department of Health.
 - There were impactful community engagements through medical missions.
 - The Community Health Initiative Program was accomplished in partnership with Marikar Hills National Training School for Girls by conducting various activities.

- o Three (3) scholars, who were sponsored and supported by AHCI, completed Caregiving NC II programs. These scholars will start their careers at the Hospital.
 - o Other programs of AHCI included: (a) volunteer education and engagement program; and (b) fundraising programs, most notably the *Asian Cares: Luzon, Visayas, Mindanao* sustainable fashion show.
- On AHI's business performance, Dr. Tamesis reported that:
 - o The business grew over 20% in 2023. A summary of the financial information for 2023 was presented as follows

Financial Information (in million pesos)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Revenues	2,254	2,340	3,400	2,564	3,880	3,306	3,704	3,370	3,634	4,870	4,320	5,202
Net Revenues	1,084	1,002	2,093	2,337	3,099	1,981	3,330	3,578	3,200	3,543	3,702	4,442
EBITDA	474	443	706	807	921	891	1,058	1,153	721	990	991	1,337
Profit Before Tax	217	280	383	330	641	600	800	730	211	444	462	810
Profit After Tax	147	200	304	300	578	400	480	540	200	320	400	640
Property and Equipment	6,222	5,407	5,050	6,120	6,374	6,090	7,170	7,671	7,520	8,300	8,400	8,800
Accum. Depreciation and Amortization and Impairment	(3,781)	(3,300)	(2,700)	(2,400)	(2,710)	(2,940)	(3,210)	(3,300)	(3,070)	(4,200)	(4,600)	(4,870)
Net	2,441	2,107	2,350	3,720	3,364	3,151	3,960	4,271	4,130	4,100	3,802	4,930
Capital Expenditures	170	270	300	400	300	300	340	300	300	270	270	300
Debt	1,300	1,270	800	800	800	-	-	-	-	-	-	-

- o For 2024, cash dividends in the amount of Php 0.18 per share payable on 27 May 2024 were declared in favor of the Corporation's stockholders of record as of the record date, 13 May 2024. The historical dividend from 2017 to 2023 was also presented:

Year	Declaration Date	Div Per Share	Total Dividends	NPAT/Pay-out Ratio	Payment Date
2017	Apr 30, 2018	P0.062	P138,289,703	6485.1	May 30, 2018
	Nov 15, 2018	0.068	166,722,322	(60%)	Dec 1A, 2018
		<u>P0.098</u>	<u>P305,012,025</u>		
2018	Apr 30, 2019	P0.063	P138,877,169	6484.9	May 30, 2019
	Nov 28, 2019	0.062	130,877,366	(60%)	Dec 1B, 2019
		<u>P0.124</u>	<u>P269,754,535</u>		
2019	Nov 23, 2020	P0.047	P109,766,802	P315.0 (21%)	Dec 1A, 2020
2020	Nov 28, 2021	P0.047	P12,301,687	P164.4 (58%)	Dec 1B, 2021
2021	May 2, 2022	P0.062	P148,811,728	P919.7	May 27, 2022
	Dec 1, 2022	P0.062	188,811,728	(99%)	Dec 1L, 2022
		<u>P0.124</u>	<u>P337,623,456</u>		
2022	May 2, 2023	P0.12	P110,876,878	P419.4	May 26, 2023
	Nov 1A, 2023	0.08	118,285,889	(71%)	Dec 1L, 2023
		<u>P0.20</u>	<u>P229,162,767</u>		
2023	April 10, 2024	P0.179	P248,974,822	P693.6 (54%)	May 27, 2024

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

6. Approval of the Audited Financial Statements of the Corporation for the Year Ending December 31, 2023

The Audited Financial Statements of the Corporation for the year ending December 31, 2023 were presented to the stockholders for approval. The Chairman informed the stockholders that a copy of the Audited Financial Statements had been uploaded to the Hospital's website.

Dr. Roxel Azores moved to approve the Audited Financial Statements of the Corporation for the year ending December 31, 2023. Dr. Sales-Diaz seconded the motion.

There being no objection, the Chairman declared the Audited Financial Statements of the Corporation for the year ending December 31, 2023, approved by the stockholders.

6. Ratification of Corporate Acts Since 2 May 2023

The stockholders were then asked to ratify the acts of the Board of Directors and the Management of the Corporation since 2 May 2023, as set forth in the minutes of the meetings of the Board of Directors held during the same period.

Dr. Tan-Ganis moved to ratify all the acts of the Board of Directors and the Management of the Corporation from 2 May 2023 to the present. Dr. Sales-Diaz seconded the motion.

There being no objection, the Chairman declared all the acts of the Board of Directors and the Management of the Corporation since 2 May 2023 to the present, ratified and approved by the stockholders.

7. Election of Directors for the Year 2024-2025 (with Report on Incumbent Directors)

The next item on the agenda was the election of the members of the Board of Directors, who shall serve for 2024-2025, until their successors are duly elected and qualified in accordance with the Corporation'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 Corporation:

Regular Directors:

1. Dr. Sol Z. Alvarez
2. Mr. Reynaldo S. Cochangco
3. Mr. Jose Noel C. de la Paz
4. Mr. Celso Bernard G. Lopez
5. Mr. Augusto P. Palisoc, Jr.
6. Mr. Manuel V. Panglinan
7. Dr. Beaver R. Tameis

Independent Directors:

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

The Corporate Secretary stated that the nominees for directors were the incumbent directors of the Corporation. Hence, their profiles were included as part of the Information Statement, a copy of which had been uploaded to the Hospital's website. The profiles of the nominees contained, among other things, their qualifications and relevant experience, length of service to the corporation, trainings and continuing education sessions attended, and their board membership in other corporations.

Dr. Azores moved to declare all nominees re-elected as directors of the Corporation, to serve as such for the year 2024-2025. Dr. Sales-Diaz seconded the motion.

There being no objection, the Chairman declared the afore-mentioned nominees re-elected as directors of the Corporation, to serve as such for the year 2024-2025 and until their successors are duly elected and qualified in accordance with the Corporation's By-laws.

8. Appointment of External Auditors

The next item for discussion was the appointment of the Corporation'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 Corporation for the year 2024-2025.

Dr. Tan-Gatue moved to re-appoint Sycip Gorres Velayo & Co. as the external auditors of the Corporation for the year 2024-2025. Dr. Sales-Diaz seconded the motion.

There being no objection, the Chairman declared re-appointed Sycip Gorres Velayo & Co. as the Corporation's external auditors for the year 2024-2025.

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

1004.20.02 (1664.25.A)
MDE/1444.20.02/AM/Minutes of the AM - 2024 AMM
MDE/1444.20.01/AM/Minutes of the AM - 2023 AMM

ANNEX "D"
ASIAN HOSPITAL, INC.
VIRTUAL SPECIAL STOCKHOLDERS' MEETING

RECORD DATE: 24 OCTOBER 2024

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

Please be advised that the Special Meeting of the stockholders of ASIAN HOSPITAL, INC. will be held on Tuesday, November 12, 2024 at 10:00 A.M.

The Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication. Voting may be done electronically in absentia, or 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?AN_2q-ls3Y1SK8pOZ8HQJz3_A#/registration
(the "Website")

from 5:00 P.M. of October 24, 2024 until 5:00 P.M. of November 4, 2024 (the "Registration Period"). Beyond this time and date, a Stockholder may no longer be allowed to participate in the Special 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 October 25, 2024 until November 4, 2024, anytime 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 Puyal Avenue, Makati City
Telephone Number: (632) 8887-4053
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 the 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 Puyal Avenue, Makati City
Telephone Number: (632) 8887-4053
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 into the Electronic Voting in Absentia System at:

https://us06web.zoom.us/webinar/register/WN_2a-Is3YISK6pOZ8HQJz3_A#/registration

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 ahlagminfo@asianhospital.com confirming receipt of your pre-registration and providing 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. In case of incomplete information and/or documents, the stockholder will receive an email from ahlagminfo@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 ahlagminfo@asianhospital.com containing the unique access code to the virtual Special 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 8084
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 ahlagminfo@asianhospital.com or submit the completed registration form to the Corporate Affairs Department.

4. You will receive an email from ahlagminfo@asianhospital.com confirming receipt of your pre-registration with 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. In case of incomplete information and/or documents, the Stockholder will receive an email from ahlagminfo@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 ahlagminfo@asianhospital.com containing the unique access code to the virtual Special 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 through the Website, ahlagminfo@asianhospital.com, or the Corporate Affairs Department by November 4, 2024, 5:00 P.M. are entitled to participate in the Special 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 ahlagminfo@asianhospital.com.

Verification of Stockholder Registrations

The Company or its Stock Transfer Agent will verify the information and details submitted through the Electronic Voting in Absentia System, through ahiaadminfo@asianhospital.com, or through the Corporate Affairs Department starting November 5, 2024 at 8:00 A.M.

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

Please call or contact the Company's Stock Transfer Agent or ahiaadminfo@asianhospital.com in case you have not received any notification by November 8, 2024.

Conduct of the Special Meeting

The Special Meeting of the stockholders will be streamed online. The procedure for online voting will also be emailed to the stockholders who successfully registered before the expiration of the Registration Period.

Data Privacy

Data will be collected, stored, processed and used exclusively from each individual stockholder or his/her authorized representative for the purposes of the Special Meeting. 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 through the Website.