

**MINUTES OF THE ANNUAL STOCKHOLDERS MEETING OF DAVAO DOCTORS HOSPITAL (CLINICA HILARIO), INC. HELD ON MAY 11, 2024 AT 1:00 p.m. AT THE DAVAO CONVENTION AND TRADE CENTER, F. TORRES ST., DAVAO CITY**

Number of Total Outstanding Shares	:	907,817
Number of Shares Present in Person or Represented by Proxy:		609,634

**I. CALL TO ORDER**

After the opening prayer, and the singing of the national anthem, Chairman Augusto P. Palisoc, Jr. called the meeting to order at 1:00 p.m.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary, Atty. Percy Jane P. Abian-Fuñe, certified that notices of the meeting were duly sent to all stockholders of record on April 19, 2024 by personal service, postal mail, courier and by electronic mail. She added that the Notice was published in the business sections of Sunstar and Mindanao Times newspapers, in print and online format, for two (2) consecutive days at least 21 days before the meeting as allowed by the Securities and Exchange Commission (SEC). She certified that the owners of 609,634 shares representing 67.15% of the outstanding shares of the capital stock of the corporation were present in person or by proxy, and that there is a quorum to conduct business.

**III. APPROVAL OF THE MINUTES OF THE PREVIOUS REGULAR AND SPECIAL MEETING**

On motion of Ms. Araceli Hechanova, duly seconded by Ms. Lourdes Altavas, and no objection raised, the minutes of the previous regular stockholders meeting held last May 13, 2023 was confirmed and ratified.

**IV. MANAGEMENT'S REPORT**

The President and CEO, Mr. Celso Bernard G. Lopez, informed the stockholders that the year 2023 is a noteworthy year as the strategic initiatives that were focused on the three key pillars: People, Process, and Design boosted the productivity levels of the hospital resulted in an all-time high performance.

For the People pillar, he shared that the hospital strategically partnered with Shearwaters, a global leader in healthcare staffing elevating their training programs to a world-class level, equipping nurses with the skills and expertise to excel locally but also on the international stage; created expertise on project management, financial discipline, and regulatory compliance; and implemented a robust succession planning program. For the Process pillar, Mr. Lopez reported that in 2023, management revived the digital front door initiative by working with network-wide Digital Front Door (DFD) platform of Metro Pacific Health (MPH). He explained that DFD is a new user-friendly application with more robust security features transcends the limitations of traditional healthcare models, transforming patient interaction into a seamless digital journey. He announced that the NPS (Net Promoter Score) and Patient Satisfaction Score (PSAT) of 2023 surpassed the target with a phenomenal NPS of 86 and an impressive PSAT average of 92%, and that the full adoption of multi-skills stations across inpatient floors has resulted to increased functional beds of the hospital from 170 to 250 thereby serving more patients. Mr. Lopez added that the hospital inked a partnership with Medi Linx Laboratory for strategic optimization of hospital laboratory management to elevate system efficiency and streamline laboratory processes. Lastly, for the Design pillar, Mr. Lopez reported that the ongoing renovation of the hospital ground floor, which is scheduled for operationalization by 2025, will revolutionize the outpatient experience at the hospital, and the planned Mega Station Project will optimize staffing by covering more areas while requiring minimal resources, further enhancing efficiency in the delivery of exceptional nursing care.

Mr. Lopez concluded that the accomplishments in 2023, which resulted in productivity gains, equipped the hospital to expand its reach and serve the ever-growing healthcare needs of the Davao Region. He then announced the goal to establish a new hospital in Mintal to cover and be of service to the western part of Davao City.

Ms. Mirasol B. Tiu, the Chief Operating Officer, started with her report on the expansion of the multi-skilled stations initiative extending to ward-based pharmacists, nursing assistants, and clinical coders to every nursing station resulting to a streamlined patient management process and efficient handling of patient influxes. She added that the continuation of Dedicated Education Unit (DEU) program resulted to higher retention rates among nursing staff; that the iCARE Program was introduced to revitalize organizational values and reaffirm the value of patient-centered care; and that the town hall sessions wherein management shares the organization's yearly goals and updates on progress with all employees, doctors, and stakeholders were continued. She further stated that the hospital has operationalized its 250 beds and has reduced the turn-around time of ER to admission from an average of 6 hours and 30 minutes to 3 hours and of inpatient discharges from an average of 5 hours and 20 mins to 4 hours and 45 mins. She reported that the two mall-based Care Centers delivered an outstanding business performance having served 31,366 patients, 63,393 laboratory procedures and 10,458 x-ray and imaging tests, and 9,890 pharmacy transactions. She added that the hospital has partnered with additional 44 HMOs and 99 corporate partners.

Ms. Tiu reported that, as part of the Corporate Social Responsibility and Sustainable Development Goals, and to align United Nations' Sustainable Development Goals (SDG) the hospital focused on "Good Health and Well-being" and "Life on Land" programs. She discussed the activities done with Interfacing Development Interventions for Sustainability (IDIS), Bantay Bukid Volunteers, MPH, the Balik-Alay Foundation Incorporated, and BreastFriends Davao.

Ms. Tiu reiterated NPS and PSAT scores have consistently showcased positive results, serving as vital metrics to gauge customer satisfaction and loyalty. She also presented the positive operational impact of the partnership with Medi Linx and the adoption of the MPH's DFD. Ms. Tiu ended her report informing the stockholder of the awards and citations received by the hospital in 2023.

The Chief Medical Officer, Dr. James Edward Mangaol, announced that, as part of MPH's Doctor Engagement Program, the Medical Services have formulated the criteria of recognizing doctors who contributed to the development of the hospital by increasing patient and service referrals, and have awarded 26 doctors for the bronze category, 15 doctors for the silver category, and 10 doctors for the gold category. He then reported that, with the goal of recruiting more doctors, the Hospital Credentials Committee was formed under the Medical Services Office for efficient credentialing and the privileging of the DDH Medical Staff, and that 37 doctors were accepted as visiting consultants, 15 doctors were upgraded as part-time associate consultants, 5 doctors were upgraded as full-time associate consultants and 1 was upgraded as an active consultant.

He also reported that 13 DDH graduates were given fellowship grants, and that 8 were already practicing in DDH with specialties in IM Allergology/Asthma/Immunology, Hepato-Biliary and Pancreatic Surgery, Radiology-Breast Imaging, Gynecologic Pathology, IM Cardiac Electrophysiology, IM-Gastroenterology and Advanced Therapeutic Endoscopy, Endoscopic Submucosal Dissection (ESD) , Plastic and Reconstructive Surgery, and Advanced Minimally Invasive Surgery while the 5 remaining are due for completion of their subspecialties in Adult Cardiology, Child Neurology, Interventional Cardiology, Interventional Radiology, and Pediatric Surgery. He concluded his report with the initiatives of the hospital focus on nursing skills enhancement.

The President and CEO of Davao Doctors College also gave his report. Prof. Miguel Soledad started with the topnotchers of the school from its inception. He narrated that Davao Doctors College organized feeding programs for severely wasted grade school children to vision screening and massage therapy for senior citizens and persons with disabilities. He added that the clinic refurbishing program for public national high schools have been cited by then Secretary Leonor Briones, the former Secretary of the Department of Education, as an outstanding institutional partner of the Department of Education and that active engagement with the Commission on Higher Education has led to the holding of joint extension activities. He concluded his report by stating that the school managed to end the year 2023 with an NPAT of P170.4 million, 23.1% higher than the P138.4 million it generated in 2022 and that the strong financial performance of the

school resulted in the school declaring cash dividends of P70 million to its mother company, Davao Doctors Hospital, during the year.

Ms. Mary Joy P. Tacay, the Chief Finance Officer, gave the financial report of the hospital stating that revenues grew by 17% year-on-year due substantially to the 34% increase in admitted patients and 17% increase in outpatient census. She added that the hospital invested in new equipment like Fibroscan, Echo, and Vascular machines, and replaced the MIS tower, ultrasound, and plasma sterilizer. She further reported that the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased by Php130 Million or 23% from 2022, and the resulting Net Profit After Tax (NPAT) of Php354 Million is higher by 56.5% year-on-year. She also said that the hospital received Php70 Million in dividends from Davao Doctors College.

Ms. Tacay then proudly announced that, due to the company's strong performance, the Board of Directors approved the release of the cash dividends equivalent to 25% of the 2023 net profit to Php353.47 Million or Php97.34 per share, which will be distributed after the meeting.

After the report of management, the Chairman inquired if there are any questions from the stockholders but nobody stood up to raise a question.

## **V. ADOPTION OF THE MANAGEMENT AND ANNUAL REPORT**

After the management report, Ms. Mary Ann Irasga moved that the Management's Report be received and adopted and that the Annual Report for the year ended December 31, 2023 be adopted. Ms. Careen Frances Real seconded the motion. Upon inquiry of the Chairman, nobody objected and the motion was carried.

## **VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENT**

Ms. Clementina Bacolod moved for the approval of the Audited Financial Statements of the corporation as of 31 December 2023, which were incorporated in the Annual Report given to the stockholders, and this was seconded by Ms. Judith Jabonera. Since no objection was raised, the motion was carried.

## **VII. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2023**

The Chairman then informed the stockholders that the next item is the ratification of the acts of the Board of Directors and management of the company for the year 2023 as set forth in the minutes of the meetings of the Board and in the disclosures duly filed with

the SEC as summarized in the Definitive Information Statement that was posted in the website of the company.

Ms. Anna Hermirosa Baloyo-Villegas moved for the confirmation and ratification of the acts of the Board of Directors and management for the year 2023, which motion was seconded by Ms. Mila Napalit. Having no objection raised, the motion was carried.

## **VIII. APPOINTMENT OF EXTERNAL AUDITOR**

Ms. Liezel Bretaña nominated SGV & CO., CPAs as the company's external auditor. Ms. Jurilla Tan moved that the nomination be closed, which was seconded by Ms. Armie Jane Plaza. There was no objection to the nomination. Thus, the motion was carried and SGV & CO., CPAs is appointed as the external auditor of the company.

## **IX. ELECTION OF THE BOARD OF DIRECTORS**

The Corporate Secretary informed the stockholders of the names of the persons duly nominated and determined to be qualified to be elected as members of the Board of Directors of the corporation, to wit:

### **A. Regular Directors**

1. Anzures, Maureen Elizabeth H.
2. Cochangco, Reymundo S.
3. Dela Paz, Daniel C.
4. Garcia, Anatole J.
5. Go, Crispin C.
6. Lopez, Celso Bernard G.
7. Mata, Rizalina Maria Karis M.
8. Palisoc, Augusto P., Jr.

### **B. Independent Directors**

1. Castillo, Julia Susan B.
2. Dominguez, Paul G.
3. Pangan, Eduardo M.

The Corporate Secretary then said that considering that the Articles of Incorporation of the corporation require eleven (11) board seats and there are only eleven (11) candidates, all the candidates are eligible to serve as directors for the year 2024-2025.

Ms. Josie Molado moved that all the nominees be deemed elected as members of the Board for the year 2024 without need for an actual casting of votes and that all candidates shall be deemed to have obtained an equal number of votes. Ms. Corazon Tan seconded the motion. No objection was raised. Hence, the Chairman declared that all candidates

are deemed elected for the 2024 Board of Directors and that the shares represented by the shareholders attending the meeting shall be deemed equally distributed among all the candidates as elected members of the Board of Directors of the corporation for the year 2024-2025.

The Chairman then acknowledged Dr. Llewellyn T. Hao and expressed his gratitude to the wise counsel and service as Director of the corporation for the last six years.

## **X. ADJOURNMENT**

The Chairman inquired whether the stockholders wished to take up other matters but nobody responded. Mr. Manuel Escudro then moved for adjournment, which was seconded by Ms. Brenda Tan. Having no opposition, the meeting was adjourned at 2:20 p.m.

Prepared by:

  
**PERCY JANE P. ABIAN-FUÑE**  
Corporate Secretary