

EASTWEST HEALTHCARE, INC.

MINUTES OF ANNUAL MEETING OF STOCKHOLDERS JUNE 30, 2021

The Annual Meeting of Stockholders and/or Board of Directors of the Company was held on June 30, 2021 at 10:00 o'clock a.m. via video conference/zoom meeting. The attendance of the Stockholders and/or Board of Directors at the meeting is as follows:

1. ATTENDANCE

Present:

JASON C. PORCIUNCULA
ORBIVITANO. D. DIAZ
JAY B. IRABON
RUSTIE C. PORCIUNCULA
IRISH TOM T. TOLENTINO
EPHREM R. ACLERA
ANNABELLE SANCHEZ, M.D.
HOWELL JAVONILLO, M.D.
SONIA HERMOSISIMA - BATUCAN

2. CALL TO ORDER

The President, Mr. Jason Porciuncula, called the meeting to order and presided over the same. The Corporate Secretary recorded the minutes of the proceedings.

3. CERTIFICATION OF QUORUM

The Corporate Secretary reported that there was quorum for the meeting, since majority stockholders and all members of the Board were present for the transaction of any business at hand.

4. MESSAGE OF THE PRESIDENT

PRESIDENT'S MESSAGE:

As the year 2020 closed we have strategically positioned our operation in line with the protocols set to efficiently manage the pandemic which have yet to cease to date. As I see the effects of the pandemic, it has presented both positive and negative developments. Even though we yielded better profit and utilization experiences it has also affected our renewals and new business activities due to the reduction of manpower and closing of businesses left and right.

However, we took this opportunity to equip our company by upgrading our operational systems and renovated our head office to create a new ambiance for our people to uplift their morals during these pandemic times. We have established the confidence of our people in the workplace by implementing guidelines and protocols to ensure their safety, giving them peace of mind. In addition, we have established and upgraded our trunkline, acquired an online consultation platform using VRP, converted our directories to digital, enhanced our website and started social media exposure to compliment and support our marketing team. This development would also increase the service satisfaction of our clients. Furthermore, we have digitalized our data storage -availing of a cloud system which is part of our contingency plan.

In 2020 we closed our books with Php 777,834 Million Gross Revenues Earned with over 500++ corporations trusting their healthcare coverage with EastWest Healthcare. Our Total Asset grew from Php 339 Million to Php 440 Million, with a total cost/expense of Php 721 Million. We were able to attain an income before tax of Php 56.6 Million or Php 30 Million net income after taxes. This is an increase of at least Php 12.5 Million compared to our Php 17 Million per year average since 2016.

However, our gross profit for 2020 decreased from Php 211 Million in 2019 to Php 187 Million due to re-increase of UPR reserves of Php 21.2 Million. In line with this development we have improved our Retained Earnings Deficit from Php 99.8 Million in 2016 to Php 34 Million in 2020 – this deficit was brought about by the setting up of IC mandated Non-Cash Reserves in our Financial Statement. If we can replicate the company's previous years performance on net income after tax, the management is expecting to zero out our retained earnings deficit this 2021.

To report as of June 24, 2021, we have a net cash of Php 447 Million. Our investment funds for placement under UITF, IC Dep, BDO Inv, MBTC Inv, Security Bank Inv is Php 191 Million while Php 256 Million is set aside for operations.

The industry is already adjusting their strategies and adapting to the market attitude due to the pandemic. Competitors are already attacking the market by offering lower than par premiums and taking unprecedented risks compared to years before the pandemic, the market and the industry is changing. Compared to

pre-pandemic where the industry commands the premiums it is now evident that the market now drives the prices lower due to market budget and lower utilization experiences.

There will be a multitude of reasons of not getting new business. We must be creative in our Market Approach ,be Innovative in Products to offer and be open to new ideas. We should open our horizon to unique opportunities. We will scale horizontally and not vertically. We must be pro active conservators. We should embrace with passion the dedication to serve our clients, We must put an extra mile in service so as not to lose them. Let us be on our toes for immediate response to our clients needs.

Keep Safe and Best Regards,

Jason Porciuncula
PRESIDENT

5. CHIEF FINANCE OFFICER'S REPORT

The Chief Finance Officer, Atty. Irish Tom Tolentino, said that all reportorial requirements with the Insurance Commission ("IC") were all submitted for year 2020. On the other hand, 2nd quarter reports for 2021 were already submitted. Atty. Irish Tom Tolentino reported that the Company is compliant with the IC requirement with regard to Liquidity Test and Capitalization Test but not with Net Worth Test. He said that he would give an update of the three (3) fold test every FINOPS meeting.

Also, Atty. Irish Tom Tolentino, further discussed IFRS 17 which aims to standardized the presentation and disclosure requirements applicable to all insurance companies, life and non-life. He further states that the Company is already compliant with the disclosure requirement since the Company already had an aggressive valuation since 2016.

Relative to IFRS 17 matter, the Company's Compliance Officer, Ginalyn Luro will be part of the IFRS 17 group of PAHMOC.

Lastly, Madam Rustie Porciuncula suggested from Atty. Tom Tolentino if possible to secure copy of the financial statements of the HMO companies from SEC and IC.

(The 2020 audited financial statements were attached hereto for easy reference.)

6. APPROVAL OF 2020 AUDITED FINANCIAL STATEMENTS

The next item on the agenda is the approval of the 2020 Audited Financial Statements.

Upon motion duly made and seconded, and no objection from other stockholders was duly made, the Company's 2015 Audited Financial Statements is approved by the unanimous vote of all the members.

The following resolution was thus adopted and approved:

“RESOLVED, that the audited financial statements of the Company for the period ended December 31, 2020 be, as the same hereby are, approved.”

8. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

The meeting proceeded to the election of Directors for the ensuing year 2020-2021.

Upon motion duly made and seconded, all the incumbent members of the Board shall be re-elected, thus the following were duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified:

RUSTIE C. PORCIUNCULA	Chairman
JASON C. PORCIUNCULA	Member
ORVIBITANO R. DIAZ	Member
JAY B. IRABON	Member
IRISH TOM T. TOLENTINO	Member
EPHREM R. ACLERA	Member
ANNABELLE SANCHEZ	Member

10. APPOINTMENT OF INDEPENDENT DIRECTORS

Upon motion duly made and seconded, and no objection from other stockholders was duly made, the incumbent independent directors of the Company were retained to serve for the ensuing year and until their successors are duly elected and qualified

The following resolution was thus adopted and approved:

“RESOLVED, that Sonia Hermosisima-Batucan and Dr. Howell Javonillo be, as they are hereby, re-appointed independent directors of the Company.”

11. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, and no objections from other stockholders, Francia Laviña-Eugenio, was retained as the Company’s external auditor for the ensuing year.

The following resolution was thus adopted and approved:

“RESOLVED, that Francia Laviña-Eugenio, be, as he is hereby, retained as external auditor of the Company.”

12. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS FOR 2020

The next order of business was the ratification of the acts and resolutions of the Board of Directors and the Management from last year’s Annual Meeting up to this meeting.

Atty. Ephrem Aclera moved for the ratification of all acts and resolutions of the Board of Directors from last year’s Annual Meeting up to this meeting. Majority of the members voted for the ratification of all acts and resolutions of the Board of Directors from last year’s Annual Meeting up to this meeting

The Chairman, Madam Rustie Porciuncula, said that she will cast her vote only after she will be furnished of all the records of resolutions from last year’s Annual Meeting up to this meeting.

14. OTHER MATTERS

a.) Status of the Company’s Retirement Program.

The President, Mr. Jason Porciuncula, recommended to have a reassessment of the retirement valuation by ZALAMEA. He also recommended that the optional age of retirement is sixty (60) years old while mandatory age is sixty five (65); and years of service is at least twenty (20) years.

Further, the President said that the members of the Board shall be removed for purposes of valuation of the retirement plan. Madam RCP suggested to the President to form a Retirement Committee to make a study of the Company’s retirement program.

Update of the retirement program of the Company will be given on the next scheduled board meeting.

b.) Company's Corporate Governance Policy.

Madam RCP stated that the deadline for submission of the Company's Corporate Governance Policy with the IC is July 31, 2021. In this regard, she instructed Atty Aclera, the Company's Corporate Secretary, to furnish all the members draft of the policy for their review, comments, and approval thereto.

c.) Company's Contingency Plan

Madam RCP suggested to the Board to formulate the Company's contingency plan to address any interruption that the principal office may experience in the future. In this regard, she instructed the President formulate the plan and recommended to form a committee. Update of the Company's contingency plan will be given on the next scheduled board meeting

d.) Company's FS Projections

Madam RCP suggested to the Board if possible to make financial projections of the Company. She instructed Atty Tom Tolentino to prepare a report according to her requested format. She further stated to have a monthly performance review of the actual vs. budget.

15. ADJOURNMENT

There being no other business to transact, upon motion duly made and seconded, the meeting was adjourned at 1:00 p.m.

CERTIFIED CORRECT BY:

ATTY. EPHREM ACLERA
Corporate Secretary

ATTESTED BY:

RUSTIE C. PORCIUNCULA
Chairman of the Board