

# COVER SHEET

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OPTIMUM QUALITY HEALTH VENTURES,  
INC. doing business under the  
name and style of CAMARIN DOCTORS  
HOSPITAL

(Company's Full Name)

# 1 CAMARIN ROAD, BARANGAY 172,  
CAMARIN, CALOOCAN CITY 1421

(Business Address No. Street City/Town/Province)

RICARDO O. JAVISON

(Contact Person)

02-82605952 / (63) 995-3303-720

(Company Telephone Number)

1 2 3 1

Month Day  
(Fiscal Year)

S E C 17 A

(Form Type)

Month Day

(Annual Meeting)

36

Total No. of Stockholders

SEC MSRD Order No. 93 Series of 2022

(Secondary License Type, If Applicable)

To be accomplished by SEC Personnel concerned

File Number

LCU

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STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2022
2. SEC Identification Number CS201738919      3. BIR Tax Identification No. 009-895-673-000
4. Exact name of issuer as specified in its charter OPTIMUM QUALITY HEALTH VENTURES, INC.  
Doing business under the name and style  
Camarin Doctors Hospital
5. NCR, Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 1 Camarin Road, Barangay 172, Camarin, Caloocan City      1421  
Address of principal office      Postal Code
8. (02) 8260-5952 / (63) 995-3303-720  
Issuer's telephone number, including area code
9. NOT APPLICABLE  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Preferred Shares</b>	<b>1,116,000</b>
<b>Common Shares A</b>	<b>930,000</b>
<b>Common Shares C</b>	<b>250,000</b>

11. Are any or all of these securities listed on a Stock Exchange.

Yes [ ]      No [ X ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

\_\_\_\_\_

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [ ]      No [ X ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ X ]      No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

**The aggregate market value of the 930,400 voting shares held by non-affiliates of the Company as of December 31, 2022 is Php47,580,000.00**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes       No       **NOT APPLICABLE**

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders; **NONE**
- (b) Any information statement filed pursuant to SRC Rule 20; **NONE**
- (c) Any prospectus filed pursuant to SRC Rule 8.1. **YES**

The Preliminary Prospectus approved by the Commission last December 27, 2022, relates to the registration of 2,451,000 shares of Optimum Quality Health Ventures, Inc. consisting of 1,116,000 *Preferred Shares*, 930,000 *Common Shares A*; and 250,000 *Common Shares C*. The 250,000 *Common Shares C* or the "*Offer Shares*" is equivalent to 3,125 blocks, for issuance to the public at an Offer Price of ₱270,000.00 per block.

The 3,125 blocks will be offered at an offer price of ₱270,000.00 per block. The blocks will be sold on a first come, first served basis, subject to pre-qualification procedures. The offer shares will not be listed in the Exchange and will be issued over the counter only. The corporation will be selling the shares on its own through an internal staff.

Optimum Quality Health Ventures, Inc. expects to raise gross proceeds amounting up to Eight Hundred Forty-Three Million Seven Hundred Fifty Thousand Pesos (₱843,750,000.00) and the net proceeds are estimated to be at least Eight Hundred Forty Million Six Hundred Ninety Seven Thousand Six Hundred Sixty-Two Pesos (₱840,697,662) after deducting fees, commissions and expenses relating to the issuance of the securities. The net proceeds of the Offer shall be used primarily by the Company to complete the construction, development and operation of *Camarin Doctors Hospital* (the "Hospital"), payment of loans, and payments of advances from stockholders.

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## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **Business of Issuer**

Optimum Quality Health Ventures, Inc. is a stock corporation organized under the laws of the Republic of the Philippines on November 23, 2017. It was established to operate, own, manage and maintain a hospital or hospitals, medical and clinical laboratories and such other enterprises which may have similar or analogous undertakings or dedicated to services in connection therewith, subject to the condition that purely professional medical and surgical services shall be performed by duly qualified physicians and surgeons who may or may not be connected with the corporation and whose services shall be freely and individually contracted by the patients.

Optimum Quality Health Ventures, Inc. has set up a Level II health care facility, Camarin Doctors Hospital, that is organized, systematic, cost-effective in its approach of providing the community and its neighboring areas the best quality health care that is both within their reach and means. It is a well-equipped health care facility that is complete in terms of the latest technology in medical diagnostics and treatment. Camarin Doctors Hospital is a 7-storey 105-bed capacity Level II hospital with 2-basement parking with a total floor area of 14,388-sqm constructed in a 2,716-sqm property located in Camarin Road, Barangay 172, Camarin Caloocan City. It has a roster of doctors of varying specialties and sub-specialties that caters to all medical conditions. The hospital also has the latest technology in laboratory testing, radiologic equipment including x-rays, ultrasound and CT scan, and facilities for rehabilitation and physical therapy. It has an adult and pediatric intensive care unit, operating and delivery rooms. After completing the necessary requirements of the Department of Health, the Hospital was granted the License to Operate and became operational last December, 2022.

#### **Competition**

The Issuer belongs to the industry that caters to the need of the public and medical practitioners for hospital facilities. The geographic area of competition is within the North Caloocan City, District 5 in Quezon City particularly Novaliches & Fairview, and nearby Province of Bulacan, wherein the following Hospitals are operating: Commonwealth Hospital & Medical Center, FEU-NRMF Medical Center, Skyline Hospital & Medical Center, Qualimed Hospital, Caloocan City North Medical Center, Bernardino General Hospital, Nodado General Hospital, Novaliches General Hospital, and Fairview General Hospital.

The strategic location of Camarin Doctors Hospital and the number of populaces will primarily influence the decision of the medical practitioners to hold clinic and practice their profession in the hospital. Good location, proximity to patients, reasonableness of the offer price and quality of the facilities will enable Camarin Doctors Hospital to effectively compete with its competitors within the area.

Physicians with specialties and subspecialties who are all active members of their respective society and the same time Philhealth accredited physicians that are practicing in Camarin Doctors Hospital and can be called for during emergencies. The emergency room is headed by trained emergency consultants and staffed with junior consultants & residents from the different major departments who are always present and can make necessary decisions for the management of the patient.

Patients prefer Camarin Doctors Hospital due to its carefully planned, designed, and constructed hospital building. It boasts of the presence of modern, top of the line equipment and facilities that can be used to serve more patients at a much faster and safer way. It provides a much more comfortable condition of recovery and wellness.

The management team certainly plays a major role in the success of the hospital. They are the ones directing and guiding the whole hospital in terms of achieving the set goals. Policies and procedures implemented in the hospital usually are crafted and approved by top management. Camarin Doctors Hospital management is composed of board of directors who worked professionally, united and with respect for one another. Every decision made is a collective effort of the whole board. Several members

of the management are graduates of different Masters Program in Business Administration, Hospital Administration, and Hospital Management and are part of the management team of other successful hospitals in Metro Manila and provinces.

### Sources and Availability of Raw Materials and the Names of Principal Suppliers

The following are the list of OQHVI's suppliers as of December 31, 2022.

Name of Supplier	Nature of Product Supplied
Abbott Laboratories, Ajanta Pharma Philippines, Bell-Kenz Pharma, Inc., The Cathay Drug Co., Inc., Corbridge Group Philippines, Inc., Clearvue Pharmaceuticals, Endure Medical, Inc., Euro-Med Laboratories Phil., Inc., Evexia Pharma Inc., Getz Bros Philippines, Inc., Globo Asiatico Enterprises, Inc., Innogen Pharmaceuticals Inc., JustRight Healthcare, Inc., MacroPharma Corporation, MedEthix Incorporated, Natrapharm Inc., Pascual Laboratories, Inc., Pfizer Philippines, Inc., Sandoz Philippines, Sannovex Pharmaceuticals, Sanofi, Torrent Pharma, Unilab, Zuellig Pharma	Medicines
Excelife Med Trading	Laboratory Equipment and Consumables
Caloocan Gas Corp., D&R Micromed Supply Incorporated, E. Mendez Medical Supply Inc., East Lane Corporation, HLMP Medical Enterprise, Janissa Healthcare Philippines, Lifelink, Inc., Maracare Medical Devices, Inc., Medical Center Trading Corp., MedMart Inc., NewRich Marketing Solution Inc., RMG Hospital Supply Inc., South East Star Enterprise, Skeletal Support Inc.	Medical Supplies
BTL Medical Technologies, CGD Medical Depot Inc., Helande Kidney Care Inc., NPK Medical Trading Inc., Open Port Medical and Trading Corp., Quality Medical Trading, Shimadzu Philippines	Hospital Equipment

### Government Approvals

Optimum Quality Health Ventures, Inc. has obtained the necessary License To Operate, Camarin Doctors Hospital from the Department of Health last November 28, 2022. Likewise, all other permits and certifications from the local government and other regulating agencies are up to date as of December 31, 2022.

### Government Regulations

Senior citizens are entitled to a 20% discount on goods and services, including medical and dental services in private facilities, diagnostic laboratory fees (X-rays, computerized tomography scans, and blood tests), and professional fees of attending doctors in all private hospitals and medical facilities, under Republic Act ("RA") No. 7432, also known as the "Senior Citizens Act." The law also applies to purchases made at drug stores, hospital pharmacies, and other similar establishments that dispense medications. The law allows Camarin Doctors Hospital's senior citizen discount to be deducted from the hospital's gross revenues during the same tax year.

RA No. 7432 was amended further in 2010 by RA No. 9994, or the "Expanded Senior Citizens Act," which granted senior citizens additional benefits, such as exemption from the 12% expanded value-added tax (EVAT). The senior citizen EVAT exemption applies to, among other things, purchases of medicines and medical supplies. RA No. 9994 calls for the hospital and the manufacturer to share the burden.

Regulatory Act (RA) 7277, as amended by RA No. 9442, also known as the "Magna Carta for Disabled Persons," grants additional privileges to people with disabilities. Persons with disabilities are entitled to a 20% discount on the purchase of medicines, medical and dental services, including diagnostic and laboratory fees, and professional fees of attending doctors in all private hospitals and medical facilities.

Executive Order ("EO") No. 821 was signed on July 27, 2009, establishing maximum retail prices for certain drugs and medicines. The EO went into effect on August 15, 2009. Camarin Doctors Hospital has applied EO No. 821 since the beginning of its operations in December 2022.

Republic Act No. 10932, also known as the "Anti-Hospital Deposit Law," was signed on August 3, 2017, increasing the penalties for hospitals and clinics that refuse to provide appropriate initial medical treatment in emergency or serious cases. This law is being implemented in Camarin Doctors Hospital.

Republic Act No. 10963, also known as the "Tax Reform for Accreditation and Inclusion Act" or the TRAIN Law, signed on January 2019 exempted prescription drugs and medicines used to treat diabetes, hypertension, and high cholesterol from 12% VAT. Camarin Doctors Hospital also adheres to this law.

The Implementing Rules and Regulations ("IRR") for RA No. 11210, also known as the "Expanded Maternity Leave Law," came into effect in May 2019. According to the law, both government and private employers must provide female employees with 105 days of paid maternity leave, with the option to extend for an additional 30 days without pay. It applies to all cases of pregnancy, and employers are required to provide it regardless of mode of delivery, civil status, child legitimacy, or employment status. However, in cases of miscarriage or emergency termination of pregnancy, 60 days of maternity leave with full pay will be granted.

The Department of Health signed the IRR for RA No. 11215 or the National Integrated Cancer Control Law in August 2019. The IRR establishes mechanisms to make cancer prevention, screening, diagnosis, treatment, and care more equitable, affordable, and accessible to all Filipinos, particularly the underprivileged, poor, and disadvantaged.

The IRR for RA No. 11223 or the "Universal Health Care Act" was signed in October 2019, and this law automatically enrolls all Filipino citizens in the Philippine Health Insurance Corporation (PhilHealth).

Executive Order No. 104, or "Improving Access to Healthcare Through the Regulation of Prices in the Retail of Drugs and Medicines," was signed in February 2020. The EO regulates the prices of at least 86 drug molecules, or 133 drug formulas based on a set of criteria by imposing a maximum retail price (MRP), a maximum wholesale price (MWP), or both.

Republic Act No. 11534, also known as the "Corporate Recovery and Tax Incentives for Enterprises Act," went into effect in April 2021, lowering the corporate income tax for domestic corporations from 30% to 25%. Corporations with net taxable income of less than Php5 million and total assets of less than Php100 million, excluding land on which the business entity's office, plant, and equipment are located, during the taxable year for which the law is in effect, shall be taxed at the rate of 20%.

The Department of Health published the "Updated Suggested Retail Prices (SRPs) for Essential Emergency Medicines and Medical Devices Due to the Coronavirus Disease" in April 2021. Health Even 2019 (COVID-19)"

The hospital's operating margins are being reviewed on a regular basis to ensure that the hospital does not face any significant financial burden as a result of the aforementioned laws and regulations.

## Employees

As of December 31, 2022, Optimum Quality Health Ventures, Inc. has a total of 334 regular and probationary employees distributed as follows:

	Rank & File	Unit Head / Supervisor	Total
<b>Admin Support Services</b>	67	16	83
<b>Ancillary Services</b>	73	8	81
<b>Nursing Services</b>	153	17	170
<b>TOTAL</b>	<b>293</b>	<b>41</b>	<b>334</b>

There is no existing labor organization or union among the employees of Optimum Quality Health Ventures, Inc.

## **Item 2. Properties**

The major property owned by Optimum Quality Health Ventures, Inc. is as follows:

<u>Location</u>	<u>Floor Area (in sqm.)</u>	<u>Description</u>
#1 Camarin Road, Barangay 172, Camarin, Caloocan City	14,388 square meters	7-storey, 105-Bed Capacity Level II, Hospital & Medical Office Building

## **Item 3. Legal Proceedings**

Optimum Quality Health Ventures, Inc. is not a party to any legal proceedings, neither is any of its properties the subject of any pending legal proceedings.

## **Item 4. Submission of Matters to A Vote of Security Holders**

No matter was submitted during the fourth quarter of 2022 to a vote of security holders.

## **PART II – OPERATIONAL AND FINANCIAL INFORMATION**

## **Item 5. Market for Issuer's Common Equity and Related Stockholder Matters**

### **Market Information**

The common equity of Optimum Quality Health Ventures, Inc. is not listed in any stock exchange nor it is actively traded.

On December 27, 2022, the corporation was granted the permit to offer securities for sale by the Securities and Exchange Commission. The 250,000 Common Shares C or the "Offer Shares" is equivalent to 3,125 blocks (80 shares per block) for issuance to the public at an offer price of Php270,000.00 per block. The blocks will be sold on a first come, first served basis, subject to pre-qualification procedures. The offer shares will be issued over the counter through an internal staff of the corporation.

### **Stockholders**

Based on the records of the corporation as of December 31, 2022, Optimum Quality Health Ventures, Inc. has 36 stockholders. Below is the list of stockholders as of December 31, 2022:

	STOCKHOLDERS	NO. OF SHARES		%
1	Ricardo O. Javison	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
2	Larry G. Lianko	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
3	Jonathan L. Latonio	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
4	Maritoni C. Abbariao	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
5	Mario M. Domingo	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
6	Monet Estelita E. Dulay	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
7	Willie L. Go	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
8	Bryan M. Haberia	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
9	Djhoana Jet E. Siao	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
10	Carl Ryan Marino D. Taguba	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
11	Visitacion V. Toy	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
12	Leah Jeanette C. Bayan	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
13	Catherine P. Cabalic	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
14	Winston P. Abesamis	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
15	Richard Q. Arellano	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
16	Arwin G. David	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
17	Sharon Michelle P. Bentero	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
18	Grace M. Fabon	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	

19	Jehiel L. Fabon	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
20	Eli A. Florendo	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
21	Brenda B. Gianan	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
22	Maria Cristina S. Javison	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
23	Yvette Muviel B. Latonio	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
24	Chona T. Lianko	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
25	Ronald F. Licup	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
26	Arnel F. Lim	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
27	Hermie F. Maglaya-Ang	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
28	Mayshara M. Montojo	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
29	Virginia P. Go	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
30	Christopher D. Taguba	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
31	Katrina Louise M. Taguba	Preferred	36,000	3.22501%
		Common A	30,000	
		TOTAL	66,000	
32	Athena R. David	Common C	100	0.005%
33	Marygrace T. Garcia	Common C	100	0.005%
34	Christopher Z. Nitafan	Common C	100	0.005%
35	Leilanie M. Sacdal	Common C	100	0.005%
36	Dennis C. Villanueva	Common C	100	0.005%

### Dividends

Optimum Quality Health Ventures, Inc. has not yet declared any dividends since the hospital, Camarin Doctors Hospital, became operational only last December 2022.

### Recent Sales of Unregistered or Exempt Securities

There are no shares issued by Optimum Quality Health Ventures, Inc. which were not registered with the SEC pursuant to the Securities Regulation Code.

## **Item 6. Management’s Discussion and Analysis or Plan of Operations**

### **Statement of Financial Position**

#### **Comparing December 31, 2022, and 2021**

Optimum Quality Health Ventures, Inc.’s total assets at year-end 2022 and 2021 ended at Php 667,634,750 and Php563,681,511 respectively. Total liabilities increased to Php 661,055,386 as of year-end 2022 from Php 524,103.958 in year-end 2021. The stockholders’ equity significantly decreased to Php 6,579,364 in year-end 2022 compared to the previous year of Php39,577,553.

Total current assets increased to Php66,950,456 as of year-end 2022, as against Php61,458,465 in 2021.

Total non-current assets, which accounted for about 89.97% of the total assets in 2022 and 89.09% in 2021 amounted to Php 600,684,294 and Php 502,223,046 respectively. Cost of the hospital building and investment in medical equipment comprised bulk of the non-current assets.

Total current liabilities increased to Php 289,149,386 in 2022 from Php142,129,373 in 2021. The increase came mainly from advances from stockholders and retention payable to the general contractor and loans payable to Development Bank of the Philippines.

Total non-current liabilities which consisted of loans payable to DBP stood at Php371,906,000 in 2022 versus Php381,974,585 in 2021.

### **Income Statements**

#### **Comparing 2022 and 2021**

In December 2022, on its few weeks operation, the corporation recorded a revenue amounted to P6,227,196. Cost of Services (Direct Cost) amounted to P13,484,217 and Operating Expenses of P21,251,279. Operations resulted in a net loss of P32,998,189 in which finance cost also contributed to the net loss.

The following are the breakdown of the cost and operating expenses for the period ending December 31, 2022:

<b>Direct Cost</b>	
Medical Supplies	7,107,296.00
Salaries and Allowances	5,850,017.00
SSS, Philhealth and HDMF Premium	372,555.00
Dietary Supplies	75,726.00
Professional Fees	36,600.00
Taxes and Licenses	4,000.00
Marketing	1,200.00
Miscellaneous	36,823.00
<b>Total Direct Costs</b>	<b>13,484,217.00</b>

<b>Operating Expenses</b>	
Salaries and Allowances	13,382,556.00
Taxes and Licenses	2,565,500.00
Utilities	2,602,583.00
Professional Fees	1,841,188.00
SSS, Philhealth and HDMF Premium	370,008.00
Marketing	120,500.00

Office Supplies	116,412.00
Penalties	113,771.00
Representation	41,562.00
Miscellaneous	97,199.00
<b>Total Operating Expenses</b>	<b>21,251,279.00</b>

## **Key Performance Indicators**

### Hospital Census

Camarin Doctors Hospital became operational only last December 22, 2022. The number of average daily inpatient and outpatient census are shown as follows:

	Year 2022
Average Daily Inpatients	15
Average Daily Outpatients	4

### HMO Accreditation

Camarin Doctors Hospital has submitted applications to several HMO providers while waiting for accreditation.

### Patients Receivables Management

As of December 31, 2022, there is going coordination with government agencies such as the Philippine Charity Sweepstakes Offices (PCSO), Department of Social Welfare and Developments (DSWD), and from the Office of the Vice President (OVP) to assist financially-disadvantage stakeholders.

## **Item 7. Financial Statements**

The audited financial statement of Optimum Quality Health Ventures, Inc. as of and for the year ended December 31, 2022, is attached hereto.

## **Item 8. Independent Public Accountants**

- a) R.S. Bernaldo & Associates (RSBA) is the current independent auditor of Optimum Quality Health Ventures, Inc. RSBA has been the independent auditor of the corporation since 2017.

There has been no disagreement between RSBA and OQHVI on any matter of accounting principle policy or regarding OQHVI's financial statement or disclosure.

- b) External Audit Fees

RSBA billed OQHVI the amount of Php167,440 for the year 2022 and Php64,680 for the year 2021 inclusive of VAT and out-of-pocket expenses.



## PART III – CONTROL AND COMPENSATION INFORMATION

### **Item 9. Directors and Executive Officers**

The following are the directors of Optimum Quality Health Ventures, Inc. for the period 2022-2023, to serve as such until their successors shall have been elected and qualified:

Name of Director	Date of Birth	Citizenship	Date of First Election to the Board
Ricardo O. Javison	June 8, 1972	Filipino	2017
Larry G. Lianko	October 9, 1970	Filipino	2017
Jonathan L. Latonio	June 30, 1964	Filipino	2017
Maritoni C. Abbariao	February 25, 1971	Filipino	2017
Mario M. Domingo	December 18, 1978	Filipino	2017
Monet Estelita E. Dulay	December 11, 1976	Filipino	2017
Willie L. Go	February 18, 1959	Filipino	2017
Bryan M. Haberia	August 9, 1973	Filipino	2017
Djhoana Jet E. Siao	December 6, 1972	Filipino	2017
Carl Ryan Marino D. Taguba	August 20, 1977	Filipino	2017
Visitacion V. Toy	September 21, 1963	Filipino	2017
Athena R. David (Independent Director)	July 13, 1997	Filipino	2022
Marygrace T. Garcia (Independent Director)	August 17, 1979	Filipino	2022
Christopher Z. Nitafan (Independent Director)	January 29, 1974	Filipino	2022
Leilanie M. Sacdal (Independent Director)	November 20, 1977	Filipino	2022

**RICARDO O. JAVISON** is the President and CEO of Optimum Quality Health Ventures, Inc. He is an esteemed Cardiologist in several hospitals including MCU Hospital, Philippine Heart Center, Commonwealth Hospital and Medical Center, Metro Antipolo Hospital and Medical Center, and Skyline Hospital and Medical Center. He finished his master's degree in business administration at Far Eastern University Institute of Accounts, Business & Finance. He is a founder and Director of Metro Antipolo Hospital and Medical Center. A founder of ACE Hospital and Medical Center in San Jose Del Monte, Bulacan. He is also the Chairman of the Department of Internal Medicine Metro Antipolo Hospital and Medical Center. Former head of Cardiology Section of Commonwealth Hospital and Medical Center, former Chief of Medical Professionals of Skyline Hospital and Medical Center.

Dr. Javison received his medical degree from the MCU-FDTMF College of Medicine and did his residency training in Internal Medicine at MCU Hospital. He had his fellowship training in Cardiology at the Philippine Heart Center.

**LARRY G. LIANKO** is the Chairman of the Board of Directors of Optimum Quality Health Ventures, Inc. He has a depth of experience in hospital management and one of the pillars of Camarin Doctors Hospital. He has a degree of Master of Business Administration in Health from Ateneo Graduate School of Business. He is also a founder at Metro Antipolo Hospital and Medical Center. He is the former Medical Director of Skyline Hospital and Medical Center and an active consultant in the department of Anesthesiology. He is currently the chairman of the department of anesthesiology of Metro Antipolo Hospital and Medical Center.

Dr. Lianko received his medical degree from the MCU-FDTMF College of Medicine and had his residency training in Anesthesiology at East Avenue Medical Center.

**JONATHAN L. LATONIO** is the Corporate Treasurer of Optimum Quality Health Ventures, Inc. He is a leading pulmonologist at Commonwealth Hospital and Medical Center, Manila East Medical Center, and Pacific Global Medical Center. He has a master's degree in business administration from the Far Eastern University Institute of Accounts, Business & Finance.

Dr. Latonio finished his medical degree from Bicol Christian College of Medicine and had his residency training in Internal Medicine at the Quezon City General Hospital. He further pursued his fellowship training in Pulmonary Medicine at Quezon Institute.

**MARITONI C. ABBARIAO** is a board of director of Optimum Quality Health Ventures, Inc. She is a training officer in the department of Internal Medicine of Dr. Jose N. Rodriguez Memorial Hospital in North Caloocan City. A common stockholder of Grace Medical Center, Skyline Hospital and Medical Center, and Commonwealth Hospital and Medical Center. She is a practicing Adult Neurologist and the head coordinator of Neurobehavioral sciences department of Camarin Doctors Hospital. She is also a member of the marketing committee and Infection and Prevention Control committee of Camarin Doctors Hospital.

**MARIO M. DOMINGO** is a board of director of Optimum Quality Health Ventures, Inc. He is also a training officer in the department of Internal Medicine of Dr. Jose N. Rodriguez Memorial Hospital and a part-time professor at FEU-NRMF College of Medicine. He is the head coordinator of the Diabetes Center of Camarin Doctors Hospital. He is a practicing Internist with subspecialty in Diabetology.

**MONET ESTELITA E. DULAY** is a practicing Family Medicine and Primary Care Physician. She is one of the boards of director of Optimum Quality Health Ventures, Inc. She is the former hospital administrator of Commonwealth Hospital and Medical Center. She is currently the administrative officer of Diliman Doctors Hospital. She holds a master's degree in hospital administration. She is a member of the Emergency and Disaster Preparedness committee of Camarin Doctors Hospital, and head coordinator of the Family and Community Medicine Department.

**WILLIE L. GO** is a board of director of Optimum Quality Health Ventures, Inc. and holds the position of Hospital Administrator of Camarin Doctors Hospital. He is a practicing and active anesthesiologist in several hospitals in Metro Manila. He has a master's degree in business administration from the Far Eastern University Institute of Accounts, Business & Finance.

**BRYAN M. HABERIA** is a board of director of Optimum Quality Health Ventures, Inc. He is the head of the construction committee of Camarin Doctors Hospital. He is also a practicing anesthesiologist in several hospitals in Quezon City and Caloocan City. He is part of several committees of the hospital including Contract Review, Canvass & Pricing, Marketing, and Health & Waste Management Committee. He is also the head coordinator of the General Services Department – Engineering & Maintenance Department.

**DJHOANA JET E. SIAO** is the current Chairman of the Department of Surgery of Quezon City General Hospital. She has a master's degree in business administration from Far Eastern University Institute of Accounts, Business & Finance. She is a member of the board of directors of Optimum Quality Health Ventures, Inc. She is a practicing general surgeon in Quezon City, Caloocan City, and Bulacan. She is the head of the purchasing department of Camarin Doctors Hospital and the assistant head of the HMO department. She also holds the position of Chief of Clinics of Camarin Doctors Hospital. She is a member of several hospital committees including Credentialing & Privileging, Human Resources, Grievance & Complaint, and Purchasing Committee.

**CARL RYAN MARINO D. TAGUBA** is a board of director of Optimum Quality Health Ventures, Inc. A founder of ACE Hospital and Medical Center in San Jose Del Monte Bulacan. A stockholder in several hospital in Metro Manila. He has a master's degree in business administration from Far Eastern University Institute of Accounts, Business & Finance. He is a practicing Orthopedic Surgeon and currently head the department of surgery of Camarin Doctors Hospital. He is also the head coordinator of the Security department and assistant head coordinator of property and inventory department. He is part of several hospital committees including Contract Review, ORMAT, Purchasing, and Credentialing & Privileging Committee.

**VISITACION V. TOY** is a board of director of Optimum Quality Health Ventures, Inc. She is the current Medical Director of Camarin Doctors Hospital. She is one of the premiere Obstetrician-Gynecologist in Commonwealth Hospital & Medical Center, FEU-NRMF Medical Center, Delgado Hospital, Diliman Doctors Hospital, and The Medical City. She is the former chair of the department of OB-Gyne at Commonwealth Hospital & Medical Center. She is one of the founding officers of the Philippine Society of Cosmetic and Aesthetic Gynecology. She finished her master's degree in business administration at Far Eastern University Institute of Accounts, Business & Finance.

**ATHENA R. DAVID** is an independent director, a registered medical technologist and worked in Phoenician Diagnostic Medical Clinic from April 2022- June 2022.

**MARY GRACE T. GARCIA** is an independent director, hypertension specialist, an active consultant in the Department of Internal Medicine in Camarin Doctors Hospital, Commonwealth Hospital and Medical Center Skyline Hospital and Medical Center and Grace General Hospital. She finished her master's degree in management major in hospital management at Philippine Christian University.

**CHRISTOPHER Z. NITAFAN** is an independent director, an adult medical specialist in Camarin Doctors Hospital, Commonwealth Hospital and Medical Center, Grace Medical Center, Kairos Maternity and General Hospital and North Caloocan Doctors Hospital.

**LEILANI M. SACDAL** is an independent director, an internist specialist, chief junior consultant in the Department of Medicine in Commonwealth Hospital and Medical Center from 2012 up to present. She is also a visiting consultant in Pacific Global Medical Center.

## Item no 10. EXECUTIVE COMPENSATION

### Compensation of Directors

All the officers of the company are not yet receiving any compensation since the start of its incorporation. They have the mutual understanding that they will receive compensation when the hospital becomes fully operational.

### Employment Contracts and Termination of Employment and change in Control Arrangements

As of December 31, 2022, there are no employment contracts or compensatory plan between CDH and any of its directors.

## Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

### Voting Securities and Principal Holders Thereof

The total number of shares issued and outstanding as of December 31, 2022 is 930,500 shares, breakdown of which are as follows: Common Share A-930,500 shares and Common Share C-500 shares. All these are Common shares, with each share entitled to one vote in accordance with the By-Laws of Optimum Quality Health Ventures Inc. All outstanding shares possess voting rights at the Annual Meeting.

### Security of Ownership of Certain Record and Beneficial owners

The following table shows the security ownership of management in the Common A shares of the company as of 2022

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% ownership
	Direct	Indirect			
Javison, Ricardo Oro	1,500,000	-	Filipino	30,000	3.22501%
Lianko, Larry de Guzman	1,500,000	-	Filipino	30,000	3.22501%
Latonio, Jonathan Lacia	1,500,000	-	Filipino	30,000	3.22501%
Domingo ,Mario Matias	1,500,000	-	Filipino	30,000	3.22501%
Bayan, Leah Jeanette Castillo	1,500,000	-	Filipino	30,000	3.22501%
TOTAL	7,500,000			150,000	16.15%

## Item 12. Certain Relationships and Related Party Transactions

The Optimum Quality Health Ventures Inc. has made loans from an Officer, manager, director or principal stockholders within the last two (2) years.

## Part IV. CORPORATE GOVERNANCE

### Item 13. Corporate Governance

Optimum Quality Health Ventures Inc. put importance to the practice of effective corporate governance ensuring transparency, accountability and ethical conduct of its operations in compliance with regulatory government bodies particularly of the Department of Health (DOH) and with the Securities and Exchange Commission (SEC)

Optimum Quality Health Ventures Inc. Board of Directors comprises seasoned professionals with varied backgrounds who contribute expertise to their respective positions. The Board holds regular meetings to provide policy guidance, evaluate the company's performance, and monitor compliance with legal and regulatory standards. It consists of independent directors and management representatives, maintaining a balanced and impartial decision-making process.

#### Governance Policies and Procedures:

Implementation of comprehensive policies to direct Optimum Quality Health Ventures Inc. business operations. These include regulations concerning patient safety, care quality, and financial management. These policies serve as the basis for our decision-making processes and encourage the highest levels of integrity and professionalism.

#### Committees:

Optimum Quality Health Ventures Inc. Board has established committees to oversee crucial areas and improve the efficacy of governance. These include the Audit Committee, which is accountable for financial oversight and internal controls; the Quality Assurance and Patient Safety Committee, which focuses on monitoring and enhancing patient care outcomes; and the Executive Committee, which is accountable for board composition, evaluation, and succession. These committees provide the Board with expert representation, proper independent assessment, and recommendations.

#### Compliance and Regulatory Oversight.

Compliance programs are maintained to ensure adherence to regulatory requirements, such as privacy and data protection laws, healthcare billing and coding guidelines, and patient safety protocols. Regular audits and internal controls are in place to monitor compliance, identify gaps, and implement prompt corrections.

#### Transparency and Accountability:

Optimum Quality Health Ventures Inc. financial performance, which includes revenue, expenditures, and investments are regularly monitored thru a regular management, executive and board meetings to discuss and analyze results of operations and financial conditions. This monitoring includes plans and actions to further enhance and achieve the corporation's mission and vision.

#### Risk Management:

Optimum Quality Health Ventures Inc has instituted a risk management program that evaluates potential threats to our operations and takes preventative steps to mitigate them. This encompasses risk identification, evaluation, and the development of appropriate risk management strategies. We routinely conduct risk assessments and implement mitigation strategies to protect our patients, employees, and stakeholders.

#### Stakeholder Engagement:

The Corporation recognizes the importance of engaging with and communicating with its constituents. CDH solicit feedback from its patients, employees, medical personnel, and the local community to

comprehend their requirements, expectations, and concerns. Maintains open communication channels, such as patient surveys, town hall meetings, and online platforms, as it integrates all of these into its decision-making processes.

Continuous Improvement:

Regularly evaluates actual performances against key performance indicators, industry benchmarks, and best practices. This enables to identify areas for improvement and implement strategies to enhance service deliveries, patient experiences, and overall organizational performances.

## **Part V- EXHIBIT AND SCHEDULES**

### **Exhibits**

1. Audited Financial Statement for the years ended December 31, 2022



**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
 (Doing Business Under the Name and Style of Camarin Doctors Hospital)  
 #1 Camarin Road, Brgy. 172, Camarin, Caloocan City

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
 FOR FINANCIAL STATEMENTS**

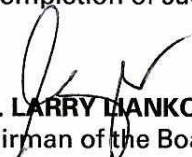
The Management of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, in accordance with the Philippine Financial Reporting Standards, 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 going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.


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

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

**R.S. Bernaldo & Associates**, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**DR. LARRY LIANKO**  
 Chairman of the Board

  
**DR. RICARDO O. JAVISON**  
 President

  
**DR. JONATHAN L. LATONIO**  
 Treasurer

JUN 6 8 2023

Signed this \_\_\_ day of \_\_\_ 2023.

JUN 6 8 2023 MAKATI CITY

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_ 2023 affiants exhibiting to me their respective Professional Regulation Commission (PRC) ID, as follows:

<u>Name</u>	<u>PRC</u>	<u>Date of Issue</u>	<u>Place of Issue</u>
DR. LARRY LIANKO	0087957	09/03/1997	Manila
DR. RICARDO O. JAVISON	0090273	09/01/1998	Manila
DR. JONATHAN L. LATONIO	0077975	06/14/1993	Manila

Doc. No. 154 ;  
 Page No. 31 ;  
 Book No. XXXII ;  
 Series of 2023

  
**ATTY. PEPITO G. PO**  
 NOTARY PUBLIC

UNTIL DECEMBER 31, 2023  
 IBP NO. 259728 / 12-19-2022 / MAKATI CHAPTER  
 PTR NO. 9566056 / 01-03-2023 / MAKATI CITY  
 ROLL NO. 42926  
 MCLE COMPLIANCE NO. VI-0024225



**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and the Stockholders  
**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*  
#1 Camarin Road, Brgy. 172  
Camarin, Caloocan City

**Report on the Audits of the Financial Statements**

*Opinion*

We have audited the financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, 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, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 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 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 audits of the financial statements in 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.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

BOA /PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Accredited  
18/F Cityland Condominium 10 Tower 1, 156 H.V. dela Costa Street, Ayala North, Makati City, Philippines 1226

**Tel:** +632 8812-1718 to 22 **Email:** rsbassoc@pkfrsberaldo.com **www.pkfrsberaldo.com**



### *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, 2022, 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, 2022 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 PFRS, 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.

### *Auditors' 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 auditors' 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 audits. 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 audits 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 auditors' 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 auditors' 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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 15-2010 and 19-2011 in Notes 32 and 33, respectively, 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 **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)**. The information has been subjected to the auditing procedures applied in our audits 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.

The engagement partner on the audit resulting in this independent auditors' report is **MARVIN G. GARCIA**.

**R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300

Valid until May 28, 2024

SEC Group A Accredited

Accreditation No. 0300-SEC

Valid until 2024 audit period

BSP Group B Accredited

Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2023

Valid from January 31, 2023 until January 30, 2026

IC Group A Accredited

Accreditation No. 0300-IC

Valid until 2026 audit period

*M. G. G.*

**MARVIN G. GARCIA**

Partner

CPA Certificate No. 102934

SEC Group A Accredited

Accreditation No. 102934-SEC

Valid until 2025 audit period

BSP Group B Accredited

Accreditation No. 102934-BSP

Valid until 2025 audit period

BIR Accreditation No. 08-008060-001-2022

Valid from April 11, 2022 until April 10, 2025

Tax Identification No. 214-290-691

IC Accreditation No. 102934-IC

Valid until 2024 audit period

PTR No. 9567816

Issued on January 4, 2023 at Makati City

May 8, 2023



**OPTIMUM QUALITY HEALTH VENTURES, INC.***(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)***STATEMENTS OF FINANCIAL POSITION**

December 31, 2022 and 2021

(In Philippine Peso)

	NOTES	2022	2021
<b>A S S E T S</b>			
<b>Current Assets</b>			
Cash in banks	6	15,741,543	61,458,465
Receivable	7	481,112	-
Input VAT	12	50,727,801	-
		<b>66,950,456</b>	<b>61,458,465</b>
<b>Non-current Assets</b>			
Property and equipment – net	8	599,568,223	368,454,424
Intangible asset	9	1,116,071	1,116,071
Advances to contractors	10	-	79,495,683
Advance payment bonds	11	-	19,022,052
Deferred Input VAT	12	-	34,134,816
		<b>600,684,294</b>	<b>502,223,046</b>
<b>TOTAL ASSETS</b>		<b>667,634,750</b>	<b>563,681,511</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	22,039,306	1,667,406
Accrued finance cost	14	4,502,093	4,095,000
Advances from stockholders	16	189,285,630	127,366,967
Loans payable	14	27,000,000	9,000,000
Retention payable	15	46,322,357	-
		<b>289,149,386</b>	<b>142,129,373</b>
<b>Non-current Liabilities</b>			
Loans payable – net of current portion	14	372,200,000	351,000,000
Retention payable – net of current portion	15	-	30,974,585
		<b>372,200,000</b>	<b>381,974,585</b>
<b>TOTAL LIABILITIES</b>		<b>661,349,386</b>	<b>524,103,958</b>
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock	17	57,910,000	57,910,000
Deficits		(51,624,636)	(18,332,447)
<b>TOTAL STOCKHOLDERS' EQUITY</b>		<b>6,285,364</b>	<b>39,577,553</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>667,634,750</b>	<b>563,681,511</b>

(See Notes to Financial Statements)

**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*  
**STATEMENTS OF COMPREHENSIVE INCOME**

For the Years Ended December 31, 2022, 2021 and 2020

(In Philippine Peso)

	NOTES	2022	2021	2020
<b>REVENUE</b>	18	<b>6,227,196</b>	-	-
<b>DIRECT COST</b>	19	<b>13,484,217</b>	-	-
<b>GROSS LOSS</b>		<b>(7,257,021)</b>	-	-
<b>FINANCE INCOME</b>	6	<b>12,204</b>	<b>71,526</b>	<b>16,333</b>
<b>TOTAL INCOME (LOSS)</b>		<b>(7,244,817)</b>	<b>71,526</b>	<b>16,333</b>
<b>OPERATING EXPENSE</b>	20	<b>21,545,279</b>	<b>2,438,254</b>	<b>7,608,143</b>
<b>FINANCE COST</b>	14	<b>4,502,093</b>	-	-
<b>LOSS</b>		<b>(33,292,189)</b>	<b>(2,366,728)</b>	<b>(7,591,810)</b>
<b>LOSS PER SHARE</b>	25	<b>(35.80)</b>	<b>(2.54)</b>	<b>(8.16)</b>

(See Notes to Financial Statements)

**OPTIMUM QUALITY HEALTH VENTURES, INC.***(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)***STATEMENTS OF CHANGES IN EQUITY**

For the Years Ended December 31, 2022, 2021 and 2020

(In Philippine Peso)

	Note	Capital Stock	Deficits	Total
Balance at January 1, 2020		57,660,000	(8,373,909)	49,286,091
Loss			(7,591,810)	(7,591,810)
<b>Balance at December 31, 2020</b>		<b>57,660,000</b>	<b>(15,965,719)</b>	<b>41,694,281</b>
Issuance of common shares	17	250,000	-	250,000
Loss		-	(2,366,728)	(2,366,728)
<b>Balance at December 31, 2021</b>	<b>17</b>	<b>57,910,000</b>	<b>(18,332,447)</b>	<b>39,577,553</b>
Loss		-	(33,292,189)	(33,292,189)
<b>Balance at December 31, 2022</b>	<b>17</b>	<b>57,910,000</b>	<b>(51,624,636)</b>	<b>6,285,364</b>

(See Notes to Financial Statements)

**OPTIMUM QUALITY HEALTH VENTURES, INC.***(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)***STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2022, 2021 and 2020

(In Philippine Peso)

	NOTES	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before tax		(33,292,189)	(2,366,728)	(7,591,810)
Adjustments for:				
Finance cost	14	4,502,093	-	-
Finance income	6	(12,204)	(71,526)	(16,333)
Operating cash flows before changes in working capital		(28,802,300)	(2,438,254)	(7,608,143)
Decrease (Increase) in operating assets:				
Receivable		(481,112)	-	-
Deferred input VAT		-	(17,515,147)	(8,993,440)
Input VAT		(16,592,985)	-	-
Increase (decrease) in trade and other payables		20,371,900	(552,137)	2,155,143
Net cash used in operating activities		(25,504,497)	(20,505,538)	(14,446,440)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Finance income received	6	12,204	71,526	16,333
Additions to intangible asset	9	-	(1,116,071)	-
Additions to property and equipment	8	(65,818,942)	(78,054,028)	(68,560,998)
Payments of advances to contractors	10	(55,524,350)	(94,927,757)	(32,038,570)
Net cash used in investing activities		(121,331,088)	(174,026,330)	(100,583,235)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from loans	14	39,200,000	180,000,000	180,000,000
Advances received from stockholders	16	61,918,663	29,475,844	32,193,145
Issuance of common shares	17	-	250,000	-
Repayments of advances from stockholders	16	-	-	(54,426,320)
Net cash from financing activities		101,118,663	209,725,844	157,766,825
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(45,716,922)</b>	<b>15,193,976</b>	<b>42,737,150</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>61,458,465</b>	<b>46,264,489</b>	<b>3,527,339</b>
<b>CASH AT END OF YEAR</b>		<b>15,741,543</b>	<b>61,458,465</b>	<b>46,264,489</b>

(See Notes to Financial Statements)



## **OPTIMUM QUALITY HEALTH VENTURES, INC.**

*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2022 and 2021

#### **1. CORPORATE INFORMATION AND STATUS OF OPERATION**

Optimum Quality Health Ventures, Inc. (*Doing Business Under the Name and Style of Camarin Doctors Hospital*) (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR) on November 23, 2017 and January 12, 2018, respectively. The principal activities of the Company are to establish, operate, own, manage and maintain a hospital or hospitals, medical and clinical laboratories and such other enterprises which may have similar or analogous undertakings or dedicated to services in connection therewith, subject to the condition that purely professional medical and surgical services shall be performed by duly qualified physicians or surgeons who may or may not be connected with the corporation and whose services shall be freely and individually contracted by the patients.

The Company is wholly owned by Filipino individuals.

In a special meeting held on June 5, 2020, the Board of Directors approved the filing of the registration statement and listing of securities with the SEC. On December 27, 2022, SEC approved the Company's Registration Statement and issued a Certificate of Permit to Offer Securities for Sale consisting of 2,296,000 shares covered under SEC MSRD Order No. 93 series of 2022.

On December 22, 2022, the Company started its commercial operation.

The Company's registered office address is located at #1 Camarin Road, Brgy. 172, Camarin, Caloocan City.

#### **2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.



## 2.01 New and Revised PFRSs Applied with No Material Effect on the Financial Statements

The following new and revised PFRSs have been adopted in these financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 16, *COVID-19-Related Rent Concessions beyond June 30, 2021*

The following are the amendments to PFRS 16:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022 (rather than only payments originally due on or before June 30, 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after April 1, 2021;
- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

The amendments are effective for annual reporting periods beginning on or after April 1, 2021.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The following are the amendments in reference to the conceptual framework:

- update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of 1989 Framework;
- add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after January 1, 2022.

- Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2022. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

- Amendments to PAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after January 1, 2022. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

- Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1, *Subsidiary as a first-time adopter* - The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

Amendments to PFRS 9, *Fees in the '10 percent' test for derecognition of financial liabilities* - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to PFRS 16, *Lease Incentives* - The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.



Amendments to PAS 41, *Taxation in fair value measurements* - The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

## **2.02 New and Revised PFRSs in Issue but Not Yet Effective**

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the financial statements.

### 2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2023. Earlier application of the January 2020 amendments continues to be permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The definition of accounting estimates has been amended as follows: accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendment also clarifies the following:

- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

The amendments to PAS 1 are the following:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

The amendments also clarify the following:

- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

- Amendment to PAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*

The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b)(iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability – which in turn leads to equal and opposite temporary differences – such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.



The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.

- **PFRS 17, *Insurance Contracts***

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- **Amendments to PFRS 17, *Insurance Contracts***

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held — onerous underlying insurance contracts;
- Reinsurance contracts held — underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9 — Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

#### 2.02.02 Deferred

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e., up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

### **3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

#### **3.01 Statement of Compliance**

The financial statements have been prepared in conformity with PFRS and are prepared under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

#### **3.02 Functional and Presentation Currency**

Items included in the financial statements of the Company are measured using Philippine Peso (P), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.



### **3.03 Current and Non-current Presentation**

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to the years presented, unless otherwise stated.

### **4.01 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

The Company considers the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## **4.02 Financial Assets**

### **4.02.01 Initial Recognition and Measurement**

The Company recognizes a financial asset in its statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.



#### 4.02.02 Classification

##### ➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial asset at amortized cost pertains to cash in banks only.

##### 4) Cash in banks

Cash in banks are cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

##### b) Receivables

Receivable are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has no financial assets measured at fair value either through other comprehensive income or through profit or loss in both years.

#### 4.02.03 Reclassification

When, and only when, the Company changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with Note 4.02.02. If the Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Company shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

#### 4.02.04 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

#### 4.02.05 Impairment

The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the general approach in accounting for impairment.

➤ General Approach

The Company applies general approach to cash in banks. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e., there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. An evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.



#### 4.02.06 Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to receive cash flows from the financial asset have expired or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

#### 4.02.07 Write-off

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

### **4.03 Property and Equipment**

Property is stated initially at cost including expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management and subsequently measured at cost less accumulated impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Land is not depreciated. Depreciation of hospital building, furniture and fixtures, transportation equipment, hospital equipment, office equipment and janitorial equipment is computed on the double-declining method based on the estimated useful life of the assets below:

Hospital building	20 years
Furniture and fixtures	10 years
Transportation equipment	10 years
Hospital equipment	10 years
Office equipment	10 years
Janitorial equipment	3 years

Construction-in-progress is initially measured at cost. Cost includes construction costs, professional fees, taxes and licenses, other expenses and, for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequently, upon completion, this will be reclassified to hospital building and will be measured at cost less accumulated depreciation and accumulated impairment losses.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### **4.04 Intangible Asset**

Intangible assets acquired separately are initially carried at cost.

Intangible assets with indefinite life are not amortized. However, such assets are reviewed annually to ensure the carrying amount does not exceed the recoverable amount regardless of whether an indicator of impairment is present. The Company considers its hospital information system as having an indefinite useful life for the reason that it will be used throughout the company's operation in connection with professional medical and surgical services.

#### **4.05 Advances to Contractors**

Advance payments to contractors are initially measured at transaction cost. Subsequently, advance payments to contractors utilized in the construction of the hospital building are reclassified as construction-in-progress.

#### **4.06 Advance Payment Bonds**

Advance payment bonds are upfront payment of the Company to its contractors at the commencement of the construction. These are initially measured at transaction cost and are reclassified subsequently to construction-in-progress based on the progress of work.

#### **4.07 Input VAT**

Input VAT arises from the purchase of goods or services. This is applied against output VAT. The remaining balance is recoverable in future periods. This is carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

#### **4.08 Impairment of Assets**

At each reporting date, the Company assesses whether there is any indication that any of its assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments*, may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible asset with indefinite useful life is tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.



When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or in prior years. A reversal of an impairment loss is recognized as an income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

#### **4.09 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

#### **4.10 Financial Liabilities**

##### 4.10.01 Initial Recognition and Measurement

The Company recognizes a financial liability in its statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

The Company measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

##### 4.10.02 Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Company's financial liabilities include advances from stockholders, trade and other payables 'due to government agencies', accrued finance cost, loans payable, and retention payable.

The Company has no financial liability at fair value through profit or loss in both years.

#### 4.10.03 Derecognition

The Company removes a financial liability (or part of a financial liability) from its statements of financial position when, and only when, it is extinguished (i.e., when the obligation in the contract is discharged or cancelled or has expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration is paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

#### **4.11 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary and preferred shares are classified as equity.

#### **4.12 Employee Benefits**

##### 4.12.01 Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Company to its employees include, but not limited to, salaries and wages, SSS, PhilHealth and HDMF premium.

#### **4.13 Provisions**

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **4.14 Revenue Recognition**

The Company recognizes revenue when the company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.



#### 4.14.01 Performance Obligations Satisfied Over Time

The Company's revenue from medical services is recognized over time. The Company transfers control of service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

#### 4.14.02 Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **4.15 Earnings per Share**

The Company computes its earnings per share by dividing net income or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

#### **4.16 Expense Recognition**

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

#### **4.17 Related Parties and Related Party Transactions**

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by a person identified above.

- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

#### **4.18 Taxation**

Income tax expense represents the sum of current and deferred tax.

##### 4.18.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### 4.18.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### 4.18.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

#### 4.18.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account as provided for in PAS 12.61A.

Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

### **4.19 Events after the Reporting Period**

The Company identifies subsequent events as events that occurred after the reporting period but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting period, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

### **4.20 Changes in Accounting Policies**

The adoption of the new and revised standards and interpretations disclosed in Note 2.01, was made in accordance with their transitional provision, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.



## 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 5.01 Critical Judgment in Applying Accounting Policies

The following is a critical judgment, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

#### 5.01.01 Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement.

As of December 31, 2022 and 2021, the carrying amounts of the Company's financial asset at amortized cost amounted to P16,222,655 and P61,458,465, respectively, as disclosed in Note 27.02.

#### 5.01.02 Assessment on Capitalization of Borrowing Cost

The Conceptual Framework for Financial Reporting defines an asset as a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. Entities normally obtain assets by purchasing or producing them, but other transactions or events may generate assets. Future economic benefits may flow to the entity in a number of ways, it could be used singly or in combination with other assets in the production of goods or services to be sold by the entity; exchange for other assets; used to settle liability; or distributed to the owners of the entity.

Management believes that construction-in-progress would meet the definition of a qualifying asset, hence the borrowing cost incurred was capitalized. As of December 31, 2022 and 2021, capitalized borrowing cost amounted to P15,956,025 and P16,666,944, respectively, as disclosed in Note 14.



#### 5.01.03 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that the allocation of transaction price to performance obligations is not applicable because there is only one performance obligation in services.

#### 5.01.04 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

The Company's revenue from medical services is recognized over time. The Company transfers control of service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

In 2022 and 2021, revenue from sale of service amounted to P6,227,196, as disclosed in Note 18.

### **5.02 Key Sources of Estimation Uncertainties**

The following are the key assumptions concerning the future and other key source of estimation uncertainty of the end of the reporting period that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 5.02.01 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, advances to contractors, intangible asset, advance payment bonds, deferred input VAT and input VAT which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment, advances to contractors, intangible asset, advance payment bonds, deferred input VAT and input VAT are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

Management believed that there are no indications of impairment that could materially affect its property and equipment, intangible asset, advances to contractors, advance payment bonds, deferred input VAT and input VAT. As of December 31, 2022 and 2021, the aggregate carrying amounts of the aforementioned assets amounted to P651,412,095 and P502,223,046, respectively, as disclosed in Notes 8,9,10, 11, and 12.



#### 5.02.02 Estimating Expected Credit Losses of a Financial Asset

The Company evaluates the expected credit losses related to a financial asset based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and current and forecast macro-economic information.

The Company uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the estimated expected credit loss is nil in all years.

The carrying amounts of cash in banks as of December 31, 2022 and 2021 amounted to P15,741,543 and P61,458,465, respectively, as disclosed in Note 27.02.

#### 5.02.03 Reviewing Useful Lives and Depreciation Method of Property and Equipment

The useful lives and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets. The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assesses that there is no significant change from previous estimates. As of December 31, 2022 and 2021, the carrying amounts of property and equipment amounted to P544,124,153 and P368,454,424, respectively, as disclosed in Note 8.

#### 5.02.04 Non-recognition of Deferred Tax Asset

The Company reviews the carrying amount at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration.

Based on Management's evaluation of its expected taxable profit in the near future, the Company will not be able to utilize the benefit of the deferred tax asset from NOLCO. Accordingly, unrecognized deferred tax asset as of December 31, 2022 and 2021 amounted to P9,904,608 and P2,055,033, respectively, as disclosed in Note 23.

**6. CASH IN BANKS**

For the purpose of the statements of cash flow, cash pertains to cash in banks amounting to P15,741,543 and P61,458,465 as of December 31, 2022 and 2021, respectively. This earns interest at floating rates based on daily bank deposits' rates.

In 2022, 2021 and 2020, finance income earned from bank deposits amounted to P12,204, P71,526 and P16,333, respectively.

**7. RECEIVABLE**

In 2022, the Company's receivable rendered from professional medical and surgical services amounted to P481,112.



8. PROPERTY AND EQUIPMENT – net

The Company's property and equipment are detailed as follows:

	Land	Furniture and Fixtures	Transportation Equipment	Hospital Equipment	Office Equipment	Janitorial Equipment	Hospital Building	Construction- in- Progress	Total
<b>January 1, 2021</b>									
Cost	P 55,444,070	P -	P -	P -	P -	P -	P -	P 149,178,808	P 204,622,878
Accumulated depreciation	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>	<b>55,444,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,178,808</b>	<b>204,622,878</b>
<b>Movements during 2021</b>									
Balance, January 1, 2021	55,444,070	-	-	-	-	-	-	149,178,808	204,622,878
Addition	-	-	-	-	-	-	-	163,831,546	163,831,546
Balance, December 31, 2021	<b>55,444,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313,010,354</b>	<b>368,454,424</b>
<b>December 31, 2021</b>									
Cost	55,444,070	-	-	-	-	-	-	313,010,354	368,454,424
Accumulated depreciation	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>	<b>55,444,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313,010,354</b>	<b>368,454,424</b>

[Balance Forwarded]

*[Balance Carry-Forward]*

<b>Movements during 2022</b>										
Balance, January 1, 2022	55,444,070	-	-	-	-	-	-	-	313,010,354	<b>368,454,424</b>
Additions	-	1,147,706	1,584,025	15,249,875	717,678	127,939	-	-	212,286,576	<b>231,113,799</b>
Reclassification	-	-	-	-	-	-	525,296,930	(525,296,930)	-	-
<b>Balance, December 31, 2022</b>	<b>55,444,070</b>	<b>1,147,706</b>	<b>1,584,025</b>	<b>15,249,875</b>	<b>717,678</b>	<b>127,939</b>	<b>525,296,930</b>	-	-	<b>599,568,223</b>
<b>December 31, 2022</b>										
Cost	55,444,070	1,147,706	1,584,025	15,249,875	717,678	127,939	525,296,930	-	-	<b>599,568,223</b>
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>	<b>P 55,444,070</b>	<b>P 1,147,706</b>	<b>P 1,584,025</b>	<b>P 15,249,875</b>	<b>P 717,678</b>	<b>P 127,939</b>	<b>P 525,296,930</b>	<b>P -</b>	<b>P -</b>	<b>P 599,568,223</b>

In 2019, the Company has started the construction of its hospital building.

The parcel of land, including all improvements existing or may thereafter existing thereon as well as project assets to be financed were used as collateral for the loan payable, as disclosed in Note 14.

Additions to property and equipment amounting to P65,818,942 and P78,054,028 were paid in cash in 2022 and 2021, respectively.

In 2022 and 2021, additions in construction-in-progress includes transfers from advances to contractors amounting to P135,020,033 and P50,000,000, respectively, as disclosed in Note 10 and recoupment of advance payment bonds amounted to P19,022,052 and P15,843,116, respectively, as disclosed in Note 11.

In 2022 and 2021, the amount of finance cost capitalized as part of construction-in-progress amounted to P15,956,025 and P16,666,944, respectively, as disclosed in Note 14.

In 2022 and 2021, Management determined that there is no indication that impairment has occurred on its property and equipment.



## 9. INTANGIBLE ASSET

As of December 31, 2022 and 2021, the Company has an intangible asset amounting to P1,116,071. The intangible asset of the company pertains to hospital information system that has an indefinite useful life.

In 2022 and 2021, Management determined that there is no indication of any impairment on its intangible asset.

## 10. ADVANCES TO CONTRACTORS

Details of the Company's advances to contractors for the construction of hospital building are as follows:

	2022		2021	
Balance, Beginning	P	79,495,683	P	34,567,926
Payments		55,524,350		94,927,757
Transfers (Note 8)		(135,020,033)		(50,000,000)
<b>Balance, Ending</b>	<b>P</b>	<b>-</b>	<b>P</b>	<b>79,495,683</b>

In 2022 and 2021, Management determined that there is no indication that impairment has occurred on its advances to contractors.

## 11. ADVANCE PAYMENT BONDS

The Company has started the construction of its hospital building in 2019. The Company's upfront payment to its contractors amounted to P50,000,000, which is then recouped through deductions to progress billings received from its contractors.

Accordingly, movements of advance payment bonds are as follows:

	2022		2021	
Balance, Beginning	P	19,022,052	P	34,865,168
Recoupment (Note 8)		(19,022,052)		(15,843,116)
<b>Balance, Ending</b>	<b>P</b>	<b>-</b>	<b>P</b>	<b>19,022,052</b>

In 2022 and 2021, Management determined that there is no indication that impairment has occurred on its advance payment bonds.

## 12. INPUT VAT

The Company's input VAT amounted to P50,727,801 and nil as of December 31, 2022 and 2021, respectively. The Company's deferred input VAT amounted to nil and P34,134,816 as of December 31, 2022, and 2021, respectively. The deferred input VAT and input VAT of the Company arises mainly from construction-in-progress which can be claimed against output tax.



### 13. TRADE AND OTHER PAYABLES

Details of the Company's trade and other payables are as follows:

		2022		2021
Trade	P	19,815,071	P	-
Due to government agencies		1,495,491		1,485,956
Accrued expenses		422,327		181,450
Payable to HR director		306,417		-
	P	22,039,306	P	1,667,406

Trade includes outstanding balances related to purchases of certain hospital equipment, office supplies, etc. that is related to operation of the Company.

Due to government agencies pertain to withholding taxes payable.

Accrued expenses pertain to accrual of professional fees, employee benefits and salaries and wages.

### 14. LOANS PAYABLE

On December 10, 2019, the Company entered into an Omnibus Loan Agreement with Development Bank of the Philippines (DBP) wherein DBP has approved to extend in favor of the Company two (2) term loans in the aggregate principal amount of P475,000,000 to be made available as follows: (a) Term Loan I in the amount of P400,000,000 or Seventy percent (70%) of validated project cost, whichever is lower; and (b) Term Loan II in the amount of P75,000,000 or Seventy percent (70%) of validated project cost, whichever is lower.

The proceeds of the loan shall be used to finance the following: (a) Term Loan I - To partially finance construction of a seven-storey Level 2 hospital building with basement and roofdeck located in Camarin, Caloocan City with one hundred (100) bed capacity; and (b) Term Loan II - To partially finance acquisition of hospital machinery and equipment.

The Company shall repay the loan in the following manner: (a) For Term Loan I - Twelve (12) years inclusive of two (2) years grace period on principal repayment. Principal payable in forty (40) equal quarterly amortizations commencing at the end of ninth (9th) quarter from date of initial drawdown until fully paid; (b) For Term Loan II - Seven (7) years inclusive of one (1) year grace period on principal repayment. Principal payable in twenty-four (24) quarterly amortizations commencing the end of the fifth (5th) quarter from date of initial drawdown until fully paid.

Details of drawdown under Term Loan I is as follows:

		2022		2021
Balance, Beginning	P	360,000,000	P	180,000,000
Availments		39,200,000		180,000,000
Balance, Ending	P	399,200,000	P	360,000,000



Details of the current and non-current portion of the loans payable are as follows:

		2022		2021	
Non-current portion	P	372,200,000	P	351,000,000	
Current portion		27,000,000		9,000,000	
<b>Total loans</b>	<b>P</b>	<b>399,200,000</b>	<b>P</b>	<b>360,000,000</b>	

The loan is subject to an interest rate of 5.25% to 5.50% per annum payable quarterly based on drawdown amount.

In 2022 and 2021, the Company's capitalized accrued finance cost incurred as part of construction-in-progress amounted to P15,956,025 and P16,666,944, respectively.

Movements of accrued finance cost are as follows:

		2022		2021	
Balance, Beginning	P	4,095,000	P	-	
Finance cost incurred		20,458,118		16,666,944	
Finance cost paid		(20,051,025)		(12,571,944)	
<b>Balance, Ending</b>	<b>P</b>	<b>4,502,093</b>	<b>P</b>	<b>4,095,000</b>	

The loan is secured by a parcel of land, including all improvements existing or may thereafter existing thereon as well as project assets to be financed as disclosed in Note 8. The aggregate carrying amounts of pledged assets are as follow:

		2022		2021	
Hospital building	P	525,296,930	P	-	
Land		55,444,070		55,444,070	
Hospital equipment		15,249,875		-	
Furniture and fixtures		1,147,706		-	
Transportation equipment		1,584,025		-	
Office equipment		717,678		-	
Janitorial equipment		127,939		-	
Construction-in-progress		-		313,010,354	
	<b>P</b>	<b>599,568,223</b>	<b>P</b>	<b>368,454,424</b>	

The Company is compliant with the loan covenants, except for the financial ratio that needs to be maintained. The Company has not received any written notice and/or a demand letter from DBP regarding the breached in financial ratios. The Company pays the amortization without any delays.

#### 15. RETENTION PAYABLE

Retention payable represents amounts withheld from payments to contractors as guaranty for any future claims against the contractor.

In 2022 and 2021, accrual of retention payable amounted to P15,347,772 and P15,839,402, respectively.

Details of retention payable for December 31, 2022 and 2021 are as follows:

		2022		2021	
Non-current portion	P	-	P	30,974,585	
Current portion		<b>46,322,357</b>		-	
Total loans	P	<b>46,322,357</b>	P	30,974,585	

These are non-interest bearing and will be remitted to contractors at the end of the contract work.

## 16. RELATED PARTY TRANSACTIONS

The Company's related party is its stockholders acting as its key management personnel. Balances and transactions between the Company and its related party are disclosed below:

### 16.01 Advances from Stockholders

Balance of advances from stockholders as shown in the statements of financial position are as follows:

#### 16.01.01 Key Management Personnel

Transactions with stockholders are detailed as follows:

	December 31, 2022		December 31, 2021	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
<b>Stockholders</b>				
Advances	P 61,918,663	P 189,285,630	P 29,725,844	P 127,366,967

Advances from stockholders pertain to cash received to finance the purchase of land and future construction of hospital building. The amount outstanding are non-interest bearing, unsecured, payable on demand and will be settled in cash. No guarantee has been given in respect to these advances.

### 16.02 Remuneration of Key Management Personnel

The Company did not provide remuneration to its key management personnel in 2022 and 2021.



## 17. CAPITAL STOCK

Components of capital stock are as follows:

	2022		2021	
Ordinary shares	P	46,750,000	P	46,750,000
Preference shares		11,160,000		11,160,000
	P	57,910,000	P	57,910,000

### 17.01 Common Shares

Details of Company's authorized common shares as of December 31, 2022 and 2021 are as follows:

	Shares	Amount
Common A – P50 par value	930,000	P 46,500,000
Common B – P300 par value	155,000	46,500,000
Common C – P500 par value	250,000	125,000,000
	<b>1,335,000</b>	<b>P 218,000,000</b>

In December 31, 2021, 500 common "C" shares amounting to P250,000 were issued by the Company.

All common shares carry one (1) vote per share and a right to dividends. As of December 31, 2022 common B and common C shares are still unissued.

#### 17.01.01 Common "A" Shares

Shown below are the details of common "A" shares:

	2022		2021	
	Shares	Amount	Shares	Amount
Authorized, issued and fully paid:				
P50 par value	930,000	P 46,500,000	930,000	P 46,500,000

Common "A" shares tagged as founders' shares carry one (1) vote per share and a right to dividends.

#### 17.01.02 Common "B" Shares

Common "B" shares can be owned and held by both Filipino and foreign individuals and corporations.

Common "B" shares carry one (1) vote per share and right to dividends.

### 17.01.03 Common "C" Shares

Shown below are the details of common "C" shares:

	2022		2021	
	Shares	Amount	Shares	Amount
Authorized Common "C", P500 par value	250,000	P 125,000,000	250,000	P 125,000,000
Issued and fully paid:				
Balance, Beginning	500	250,000	-	P -
Issuances	-	-	500	250,000
<b>Balance, Ending</b>	<b>500</b>	<b>P 250,000</b>	<b>500</b>	<b>P 250,000</b>

Common "C" shares carry one (1) vote per share and right to dividends.

In December 31, 2021, 500 common "C" shares amounting to P250,000 were issued by the Company.

### **17.02 Preferred Shares**

Shown below are the details of preferred shares in both years:

	2022		2021	
	Shares	Amount	Shares	Amount
Authorized, issued and fully paid:				
P10 par value	1,116,000	P 11,160,000	1,116,000	P 11,160,000

The Company's preferred shares are classified as founders' shares.

Preferred shares are non-voting and are entitled to dividends to be paid from the unrestricted retained earnings at pro-rata basis with the common stock based on their par values.

The preferred shares shall be participating and shall share with the common voting stock in the distribution of any residual dividends at pro-rata basis with the common stock based on their par values.

They shall have preference in the distribution of the assets of the Company in the event of liquidation.



## 18. REVENUE

On December 22, 2022, the Company started its commercial operation. In 2022, the Company's revenue earned from professional medical and surgical services amounted to P6,227,196.

## 19. DIRECT COST

The account is composed of the following expenses:

	2022	2021	2020
Medical supplies	P 7,107,296	P -	P -
Salaries and wages (Note 21)	5,850,017	-	-
SSS, PhilHealth and HDMF premium (Note 21)	372,555	-	-
Dietary supplies	75,726	-	-
Professional fees	36,600	-	-
Taxes and licenses	4,000	-	-
Marketing	1,200	-	-
Miscellaneous	36,823	-	-
	<b>P 13,484,217</b>	<b>P -</b>	<b>P -</b>

## 20. OPERATING EXPENSES

The account is composed of the following expenses:

	2022	2021	2020
Salaries and wages (Note 21)	P 13,382,556	P 72,000	P -
Taxes and licenses	2,859,500	1,701,290	5,573,508
Utilities	2,602,583	-	-
Professional fees	1,841,188	80,070	153,800
SSS, PhilHealth and HDMF premium (Note 21)	370,008	-	-
Marketing	120,500	-	-
Office supplies	116,412	-	-
Penalties	113,771	-	476,339
Representation	41,562	-	-
Website costs	-	95,223	13,500
Insurance	-	289,475	-
Loan related fees	-	183,333	1,072,533
Miscellaneous	97,199	16,863	318,463
	<b>P 21,545,279</b>	<b>P 2,438,254</b>	<b>P 7,608,143</b>

Miscellaneous expense pertains to the incidental costs incurred in preparation for the construction of the hospital building.



## 21. EMPLOYEE BENEFITS

### 21.01 Short – term Employee Benefits

Total short – term employee benefits include:

	2022	2021	2020
<b>Direct Costs (Note 19)</b>			
Salaries and wages	P 5,850,017	P -	P -
SSS, PhilHealth and HDMF premium	372,555	-	-
	<b>6,222,572</b>	-	-
<b>Operating Expenses (Note 20)</b>			
Salaries and wages	13,382,556	72,000	-
SSS, PhilHealth and HDMF premium	370,008	-	-
	<b>13,752,564</b>	-	-
	<b>P 19,975,136</b>	<b>P 72,000</b>	<b>P -</b>

## 22. INCOME TAXES

### 22.01 Income Tax Recognized in Profit or Loss

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate in 2022, 2021 and 2020 are as follows:

	2022	2021	2020
Accounting loss	P (33,292,189)	P (2,366,728)	P (7,591,810)
Tax benefit at 25%, 25%, and 30%, respectively	(8,323,047)	(591,682)	(2,277,543)
Tax effects of:			
Unrecognized DTA from NOLCO	8,296,892	513,389	1,313,192
Non-deductible expenses	28,443	96,175	826,349
Non-deductible finance cost	763	-	-
Finance income subjected to final tax	(3,051)	(17,882)	(4,900)
Non-deductible penalties	-	-	142,902
	<b>P -</b>	<b>P -</b>	<b>P -</b>

The Company's Net Operating Loss Carry-Over (NOLCO) in 2019 and 2022 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	₱ 1,789,270	₱ -	₱ -	₱ 1,789,270	₱ -	2022
2022	33,187,571	-	-	-	33,187,571	2025
	<b>₱ 34,976,841</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 1,789,270</b>	<b>₱ 33,187,571</b>	

Details of NOLCO covered by Revenue Regulation No. 25-2020 is as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2020	₱ 4,377,308	₱ -	₱ -	₱ -	₱ 4,377,308	2025
2021	2,053,556	-	-	-	2,053,556	2026
	<b>₱ 6,430,864</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 6,430,864</b>	

The Bureau of Internal Revenue (BIR) has recently issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

### 23. DEFERRED TAX ASSET

The Company's unrecognized deferred tax asset arising from NOLCO and its movements are detailed as follows:

	2022	2021
Balance, Beginning	₱ 2,055,033	₱ 1,972,995
Reversal due to changes in tax rate	-	(328,832)
Expiration	(447,318)	(102,519)
Unrecognized in profit or loss	8,296,893	513,389
Balance, Ending	<b>₱ 9,904,608</b>	<b>₱ 2,055,033</b>

In both years, Management believed that it is not probable that future taxable profits will be available to allow all or part of its deferred tax assets to be utilized prior to expiration, thus, the Company did not recognize its deferred tax assets.



## 24. SIGNIFICANT CONTRACT AGREEMENT

### 24.01 Excelife - Med Trading (EMT)

In 2022, the Company entered into a contract agreement with Excelife-Med Trading. EMT is a company engaged in distribution and sale of diagnostic chemistry, immunology reagents and instruments. In the said agreement, the Company and EMT agreed with the following conditions:

- a. The hospital equipment's indicated in the agreement shall be installed by EMT, free of charge for the exclusive use of the Company throughout the duration of the agreement. In all circumstances, EMT shall extend all available resources, provide technical assistance and services to assist the Company in meeting the demands of the laboratory.
- b. In consideration for the free installation, use of the above-indicated instruments and the additional equipment to be provided by EMT at no additional cost, the Company agrees to purchase exclusively from EMT all the reagents necessary for the operation of the hospital equipment's and all laboratory consumables including collection tubes, specimen containers and other materials that may be needed in the operation of the laboratory.

In 2022, the Company incurred expenses related to purchase of reagents from EMT amounting to P763,631.

## 25. LOSS PER SHARE

The Company's results of operation in 2022, 2021 and 2020 amounted to a loss of P32,292,189, P2,366,728 and P7,591,810. Accordingly, the Company's loss per share in December 31, 2022, 2021 and 2020 amounted to P35.80, P2.54 and P8.16, respectively.

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2022	2021	2020
Loss used in the calculation of total loss per share	<b>P (32,292,189)</b>	<b>P (2,366,728)</b>	<b>P (7,591,810)</b>
Weighted average number of ordinary shares for the purposes of loss per share	<b>930,208</b>	<b>930,208</b>	<b>930,000</b>



The weighted average number of ordinary shares for 2022, 2021 and 2020 used for the purposes of loss per share is computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
<b>December 31, 2022</b>				
Outstanding shares at the beginning and end of the period	930,000	12/12	930,000	930,000
Issuance of shares during the period and outstanding at the end of the period	500	5/12	208	208
<b>December 31, 2021</b>				
Outstanding shares at the beginning and end of the period	930,000	12/12	930,000	930,000
Issuance of shares during the period and outstanding at the end of the period	500	5/12	208	208
<b>December 31, 2020</b>				
Outstanding shares at the beginning and end of the period	930,000	12/12	930,000	930,000

The Company did not have any potential dilutive instruments as of December 31, 2022, 2021 and 2020.

## 26. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial asset and financial liabilities as of December 31, 2022 and 2021, respectively, are presented below:

	2022		2021	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
<b>Financial Assets</b>				
Cash in banks	P 15,741,543	P 15,741,543	P 61,458,465	P 61,458,465
Receivable	481,112	481,112	-	-
	<b>16,222,655</b>	<b>16,222,655</b>	<b>61,458,465</b>	<b>61,458,465</b>
<b>Financial Liabilities</b>				
Trade payable	P 19,815,071	P 19,815,071	P -	P -
Accrued expenses	422,327	422,327	181,450	181,450
Payable to HR director	306,417	306,417	-	-
Advances from stockholders	189,285,630	189,285,630	127,616,967	127,616,967
Accrued finance cost	4,502,093	4,502,093	4,095,000	4,095,000
Loans payable	399,200,000	399,200,000	360,000,000	360,000,000
Retention payable	46,322,357	46,322,357	30,974,585	30,974,585
	<b>P 659,853,895</b>	<b>P 659,853,895</b>	<b>P 522,868,002</b>	<b>P 522,868,002</b>

The fair values of financial asset and liabilities are determined as follows:

- Due to the short-term nature of cash in banks, accrued expenses, trade payable, payable to HR director, accrued finance cost, advances from stockholders and retention payable, the carrying amount approximate their fair values.
- Loans payable bears market interest rate, hence, the fair value of these loans payable is equal to its carrying value.

## 27. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

Management function provides services to the business, coordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risks including interest rate risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks through appropriate dedicated investment planning aimed to reduce risk exposure. These parameters include monitoring cash flows and investigation of counterparty's credit quality. Compliance with policies and exposure limits are reviewed by the Management on a continuous basis.

Management reports quarterly to monitor the risks and policies implemented to mitigate risk exposures.



## **27.01 Market Risk Management**

### **27.01.01 Interest Rate Risk Management**

The Company's exposure to interest rate risk arises from its cash deposits in banks and advances from stockholders which are subject to variable interest rates.

The interest rate risk arising from deposits with banks is managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

Losses for the years ended December 31, 2022, 2021 and 2020 would have been unaffected since the Company's interest rate risk exposure for its cash in banks and advances from stockholders, which is subject to interest rate, is very immaterial.

## **27.02 Credit Risk Management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in banks.

The Company considers the following policies to manage its credit risk:

### ➤ Banks

The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest and inflation rates to determine the possible impact to banks.

Financial asset measured at amortized cost, as of December 31, 2022 and 2021, pertains to cash in banks and receivable amounted to P16,222,655 and P61,458,465, respectively.

The calculation of allowance for expected credit losses are based on the following three (3) components:

### ➤ Probability of Default (PD)

PD is the likelihood over a specified period, usually one year that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.

### ➤ Loss Given Default (LGD)

LGD is the amount of money a company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

### ➤ Exposure at Default (EAD)

EAD is the total value a company is exposed to when a loan default. It refers to the gross carrying amount of financial asset.



Below is the summary of computation of allowance for expected credit losses in 2022 and 2021:

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Company estimated the probability of default to be nil in 2022 and 2021.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 59.08% and 0.00% to 98.37% in 2022 and 2021, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

**27.03 Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid assets in the form of cash through infusion and funding from its shareholders in order to meet the obligation to the creditors.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	More than One (1) Year to Five (5) Years	More than Five (5) Years	Total
<b>December 31, 2022</b>						
Trade payable	-	P -	P 19,815,071	P -	P -	P 19,815,071
Accrued expenses	-	-	422,327	-	-	422,327
Payable to HR director	-	-	306,417	-	-	306,417
Advances from stockholders	-	189,579,630	-	-	-	189,579,630
Accrued finance cost	-	-	4,502,093	-	-	4,502,093
Loans payable	5.25% - 5.50%	-	27,000,000	180,000,000	192,200,000	399,200,000
Retention payable	-	-	46,322,357	-	-	46,322,357
		<b>P 189,579,630</b>	<b>P 97,908,672</b>	<b>P 180,000,000</b>	<b>P 191,906,000</b>	<b>P 660,264,074</b>
<b>December 31, 2021</b>						
Accrued expenses	-	P -	P 181,450	P -	P -	P 181,450
Advances from stockholders	-	127,616,967	-	-	-	127,616,967
Accrued finance cost	-	-	4,095,000	-	-	4,095,000
Loans payable	5.25% - 5.50%	-	9,000,000	180,000,000	171,000,000	360,000,000
Retention payable	-	-	-	30,974,585	-	30,974,585
		<b>P 127,616,967</b>	<b>P 13,276,450</b>	<b>P 210,974,585</b>	<b>P 171,000,000</b>	<b>P 522,868,002</b>



The following table details the Company's expected maturity for its non-derivative financial asset. The table has been drawn up based on the undiscounted contractual maturities of the financial asset including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	
		2022	2021
<b>Financial Asset:</b>			
Cash in banks	Floating rate	P 15,741,543	P 61,458,465

The amounts included above for variable interest rate instruments for non-derivative financial asset is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

## 28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

Management manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the previous reporting period.

Pursuant to Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of 100% of their paid-in capital stock, except: 1) when justified by definite corporate expansion projects or programs approved by the board of directors; or 2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or 3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies. As of the reporting period, the Company is compliant with this agreement.

The Company's BOD reviews the capital structure of the Company on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at end of the reporting periods are as follows:

	2022	2021
Debt	P 661,349,386	P 524,103,958
Cash	(15,741,543)	(61,458,465)
Net debt	645,607,843	462,645,493
Equity	6,285,364	39,577,553
Net debt to equity ratio	102.71:1	11.69:1



29.

#### 29. NON-CASH TRANSACTIONS

The Company entered into non-cash investing activity which are not reflected in the statements of cash flows as pertaining to the additions in property and construction-in-progress which includes the following:

- Transfer from advances to contractors in 2022 and 2021 amounting to P135,020,033 and P50,000,000, respectively, as disclosed in Notes 8 and 10.
- Recoupment of advance payment bonds in 2022 and 2021 amounting to P19,022,052 and P15,843,116, respectively, as disclosed in Notes 8 and 11.

#### 30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

	2022		2021	
Balance, Beginning	P	491,461,967	P	277,641,123
Changes from financing cash flows:				
Advances received from stockholders		61,918,663		29,725,844
Proceeds from borrowings		39,200,000		180,000,000
Finance cost incurred		20,458,118		16,666,944
Finance cost paid		(20,051,025)		(12,571,944)
Balance, Ending	P	592,987,723	P	491,461,967

#### 31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on May 8, 2023.

### 32. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 15 – 2010

The Bureau of Internal Revenue (BIR) released revenue regulations dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Financial Statements. Below are the disclosures required by the said Regulations:

#### 32.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2022 are as follows:

##### 32.01.01 Output VAT

The Company is vat-registered with an output tax declaration of P42,348 for the year based on the amount reflected in the revenue.

The Company has zero-rated sales amounting to P6,976,512.

##### 32.01.02 Input VAT

An analysis of the Company's input VAT during the year is as follows:

Balance, January 1	P	-
Adjustments from deferred input VAT		34,134,816
Current year's domestic purchases/payments for:		
Services lodged under other accounts		470,063
Goods other than for resale or manufacture		16,122,922
<b>Total available input tax</b>		<b>50,727,801</b>
Claims for tax credit/refund and other adjustments		-
	<b>P</b>	<b>50,727,801</b>

##### 32.01.03 Taxes and Licenses

The Company's other taxes and licenses pertains to the following:

Permits	P	403,976
Real estate tax		9,812
Residence or community tax		1,124
Others		327,688
	<b>P</b>	<b>742,600</b>

##### 32.01.04 Documentary Stamp Taxes

The Company's documentary stamp tax paid during the year amounted to P2,120,900 which are from loans.

##### 32.01.05 Withholding Taxes

Expanded withholding taxes	P	1,239,280
Withholding tax on compensation and benefits		24,000
	<b>P</b>	<b>1,263,280</b>



### 33. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form 1702 setting forth the following schedules. Below are the disclosures required by the said Regulations:

#### 33.01 Revenue

The Company's revenue from professional medical and surgical services for the taxable year amounted to P6,227,196.

#### 33.02 Direct Cost

The following is an analysis of the Company's itemized deductions for the taxable year:

Medical supplies	P	7,107,296
Salaries and wages		5,850,017
SSS, PhilHealth and HDMF premium		372,555
Dietary supplies		75,726
Professional fees		36,600
Taxes and licenses		4,000
Marketing		1,200
Miscellaneous		36,823
	P	13,484,217

#### 33.03 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Salaries and wages	P	13,382,556
Finance cost		4,499,042
Utilities		2,602,583
Taxes and licenses		2,859,500
Professional fees		1,841,188
SSS, PhilHealth and HDMF premium		370,008
Marketing		120,500
Office supplies		116,412
Representation		41,562
Miscellaneous		97,199
	P	25,930,550



**INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN**


The Board of Directors and the Stockholders  
**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*  
#1 Camarin Road, Brgy. 172  
Camarin, Caloocan City

We have audited the financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** *(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)* for the years ended December 31, 2022 and 2021 on which we have rendered the attached report dated May 8, 2023.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300  
Valid until May 28, 2024  
SEC Group A Accredited  
Accreditation No. 0300-SEC  
Valid until 2024 audit period  
BSP Group B Accredited  
Accreditation No. 0300-BSP  
Valid until 2026 audit period  
BIR Accreditation No. 08-007679-000-2023  
Valid from January 31, 2023 until January 30, 2026  
IC Group A Accredited  
Accreditation No. 0300-IC  
Valid until 2026 audit period

  
**MARVIN G. GARCIA**

Partner  
CPA Certificate No. 102934  
SEC Group A Accredited  
Accreditation No. 102934-SEC  
Valid until 2025 audit period  
BSP Group B Accredited  
Accreditation No. 102934-BSP  
Valid until 2025 audit period  
BIR Accreditation No. 08-008060-001-2022  
Valid from April 11, 2022 until April 10, 2025  
Tax Identification No. 214-290-691  
IC Accreditation No. 102934-IC  
Valid until 2024 audit period  
PTR No. 9567816  
Issued on January 4, 2023 at Makati City

May 8, 2023

BOA /PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Accredited  
18/F Cityland Condominium 10 Tower 1, 156 H.V. dela Costa Street, Ayala North, Makati City, Philippines 1226

**Tel:** +632 8812-1718 to 22 **Email:** rsbassoc@pkfrsberaldo.com [www.pkfrsberaldo.com](http://www.pkfrsberaldo.com)

## REPORT ON THE SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders  
**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*  
#1 Camarin Road, Brgy. 172, Camarin  
Caloocan City

We have issued our report dated May 8, 2023 on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** as of and for the year ended December 31, 2022. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** taken as a whole. The information in the supplementary schedules as of and for the year ended December 31, 2022 which is not a required part of the financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)**. 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.

### **R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300  
Valid until May 28, 2024  
SEC Group A Accredited  
Accreditation No. 0300-SEC  
Valid until 2024 audit period  
BSP Group B Accredited  
Accreditation No. 0300-BSP  
Valid until 2026 audit period  
BIR Accreditation No. 08-007679-000-2023  
Valid from January 31, 2023 until January 30, 2026  
IC Group A Accredited  
Accreditation No. 0300-IC  
Valid until 2026 audit period

### **MARVIN G. GARCIA**

Partner  
CPA Certificate No. 102934  
SEC Group A Accredited  
Accreditation No. 102934-SEC  
Valid until 2025 audit period  
BSP Group B Accredited  
Accreditation No. 102934-BSP  
Valid until 2025 audit period  
BIR Accreditation No. 08-008060-001-2022  
Valid from April 11, 2022 until April 10, 2025  
Tax Identification No. 214-290-691  
IC Accreditation No. 102934-IC  
Valid until 2024 audit period  
PTR No. 9567816  
Issued on January 4, 2023 at Makati City

May 8, 2023

BOA /PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Accredited  
18/F Cityland Condominium 10 Tower 1, 156 H.V. dela Costa Street, Ayala North, Makati City, Philippines 1226

**Tel:** +632 8812-1718 to 22 **Email:** rsbassoc@pkfrsbernaldo.com **www.pkfrsbernaldo.com**



**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
**INDEX TO THE FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2022**

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**Schedule I**

**OPTIMUM QUALITY HEALTH VENTURES, INC.**

*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*

**SCHEDULE OF RETAINED EARNINGS**

**AVAILABLE FOR DIVIDEND DECLARATION**

**DECEMBER 31, 2022**

<b>Unappropriated Retained Earnings, Beginning</b>	<b>P</b>	<b>(18,332,447)</b>
Net loss based on the face of audited financial statements		(33,292,189)
Less: Dividend declarations during the year - stocks		-
Dividend declarations during the year - cash		-
Appropriations of retained earnings		-
<b>Unappropriated Retained Earnings, Ending</b>	<b>P</b>	<b>(51,624,636)</b>

**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN HOSPITAL)*  
**Schedule A – Financial Assets**  
**DECEMBER 31, 2022**

<b>Name of issuing entity and association of each issue</b>	<b>Number of shares or principal amount of bonds or notes</b>	<b>Amount shown on the balance sheet</b>	<b>Income accrued</b>
None to Report			



OPTIMUM QUALITY HEALTH VENTURES, INC.  
*(Doing Business Under the Name and Style of CAMARIN HOSPITAL)*  
 Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and  
 Principal Stockholders (Other than Related Parties)  
 DECEMBER 31, 2022

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period
None to Report							

**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
**Schedule C - Amounts Receivable from Related Parties which are eliminated  
during the consolidation of financial statements**  
**DECEMBER 31, 2022**

<b>Related Parties</b>	<b>Balance at beginning of period</b>	<b>Amount/ Volume</b>	<b>Amounts Collected</b>	<b>Outstanding Balances</b>
None to Report				

OPTIMUM QUALITY HEALTH VENTURES, INC.  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
 Schedule D - Intangible Asset  
 DECEMBER 31, 2022

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Hospital Information System	1,116,071	-	-	-	-	1,116,071



OPTIMUM QUALITY HEALTH VENTURES, INC.  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
 Schedule E - Long-Term Debt  
 DECEMBER 31, 2022

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rate %	Maturity Date	Amount of Periodic Payment	Number of Periodic Payments
Loans payable	N/A	27,000,000.00	372,200,000.00	5.25% to 5.50%	July 14, 2032	9,000,000.00	40 quarterly installment payments

**OPTIMUM QUALITY HEALTH VENTURES, INC.**  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
**Schedule F - Indebtedness to Related Parties**  
**(Included in the Financial Statement of Position)**  
**DECEMBER 31, 2022**

<b>Name of Related Parties</b>	<b>Balance at beginning of period</b>	<b>Balance at end of period</b>
Member of Key Management Personnel	127,366,967	189,285,630

OPTIMUM QUALITY HEALTH VENTURES, INC.  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)*  
Schedule G - Guarantees of Securities of Other Issuers  
DECEMBER 31, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person of which statement is filed	Nature of guarantee
None to Report				



OPTIMUM QUALITY HEALTH VENTURES, INC.  
*(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)*  
 Schedule H - Capital Stock  
 DECEMBER 31, 2022

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common A - P50 par value	930,000	930,000	-	360,000	570,000	-
Common B - P300 par value	155,000	46,500,000	-	-	-	-
Common C - P500 par value	250,000	500	-	-	500	-
Preferred shares P10	1,116,000	11,160,000	-	432,000	684,000	-

Schedule IV

OPTIMUM QUALITY HEALTH VENTURES, INC.  
 (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)  
 FINANCIAL SOUNDNESS INDICATORS  
 For the Years Ended December 31, 2022 and 2021

	December 31, 2022	December 31, 2021
<b>A. SHORT-TERM LIQUIDITY RATIO</b>		
CURRENT RATIO	<b>0.23</b>	0.43
<u>Current Assets</u>	<u>66,950,456</u>	61,458,465
<u>Current Liabilities</u>	<u>289,149,386</u>	142,129,373
WORKING CAPITAL TO ASSETS	<b>(0.33)</b>	(0.14)
<u>(Current Assets - Current Liabilities)</u>	<u>(222,198,930)</u>	(80,670,908)
<u>Total Assets</u>	<u>667,634,750</u>	563,681,511
<b>B. LONG-TERM SOLVENCY</b>		
	<b>106.22</b>	14.24
<u>Total Asset</u>	<u>667,634,750</u>	563,681,511
<u>Stockholders' Equity</u>	<u>6,285,364</u>	39,577,553
DEBT TO EQUITY	<b>105.22</b>	13.24
<u>Total Liabilities</u>	<u>661,349,386</u>	524,103,958
<u>Stockholders' Equity</u>	<u>6,285,364</u>	39,577,553
LONG-TERM DEBT TO EQUITY	<b>59.22</b>	9.65
<u>Long-Term Debt</u>	<u>372,200,000</u>	381,974,585
<u>Stockholders' Equity</u>	<u>6,285,364</u>	39,577,553
FIXED ASSETS TO EQUITY	<b>95.39</b>	9.31
<u>(Fixed Assets - Accumulated Depreciation)</u>	<u>599,568,223</u>	368,454,424
<u>Stockholders' Equity</u>	<u>6,285,364</u>	39,577,553
CREDITORS EQUITY TO TOTAL ASSETS	<b>0.99</b>	0.93
<u>Total Liabilities</u>	<u>661,349,386</u>	524,103,958
<u>Total Assets</u>	<u>667,634,750</u>	563,681,511
FIXED ASSETS TO LONG-TERM DEBT	<b>1.61</b>	0.96
<u>(Fixed Assets - Accumulated Depreciation)</u>	<u>599,568,223</u>	368,454,424
<u>Long-Term Debt</u>	<u>372,200,000</u>	381,974,585

	December 31, 2022	December 31, 2021
<b>C. RETURN ON INVESTMENTS</b>		
RATE OF RETURN ON TOTAL ASSETS	(0.06)	(0.01)
<u>Net Loss</u>	<u>(33,292,189)</u>	<u>(2,366,728)</u>
Average Total Assets	586,115,938	281,840,756
RATE OF RETURN ON EQUITY	(10.59)	(0.12)
<u>Net Loss</u>	<u>(33,292,189)</u>	<u>(2,366,728)</u>
Average Stockholders' Equity	3,142,682	19,788,777

<b>D. PROFITABILITY RATIOS</b>		
GROSS PROFIT RATIO	(1.17)	N/A
<u>Gross Income (Loss)</u>	<u>(7,257,021)</u>	-
Revenue	6,227,196	-
OPERATING INCOME TO REVENUES	1.00	N/A
<u>Income from Operations</u>	<u>6,227,196</u>	-
Revenue	6,227,196	-
PRETAX INCOME TO REVENUES	(5.35)	N/A
<u>Net Income (Loss) before tax</u>	<u>(33,292,189)</u>	-
Revenue	6,227,196	-
NET INCOME TO COMMISSION INCOME	(5.35)	N/A
<u>Net Income (Loss)</u>	<u>(33,292,189)</u>	-
Revenue	6,227,196	-

<b>E. INTEREST COVERAGE RATIO</b>		
INTEREST COVERAGE RATIO	6.39	N/A
<u>Earnings Before Interest and Tax</u>	<u>28,790,096</u>	-
Interest Expense	4,502,093	-



SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, duly authorized.

By:

  
RICARDO O. JAVISON, M.D  
President

  
LARRY G. LIANKO, MD  
Chairman of the Board


  
JONATHAN L. LATONIO, M.D  
Corporate Treasurer

JUN 08 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ affiants exhibiting to me their respective Evidence of Identity as follows

Names	Evidence of Identity	Date of Issue	Place of Issue
Ricardo O. Javison	PRC 0090273	09/01/1998	Manila
Larry G. Lianko	PRC 0087957	09/03/1997	Manila
Jonathan L. Latonio	PRC 0077975	06/14/1993	Manila

JOC. NO. 103  
PAGE NO. 22  
BOOK NO. 122  
SERIES OF 2023

  
ATTY. SEVERINA S. AGUILAR-ACUÑA  
NOTARY PUBLIC FOR AND WITHIN THE JURISDICTION OF CALOOCAN CITY  
Notarial Commission No. HC 444 Un81 December 31, 2024  
PTR No. 1250761 / January 3, 2023 / Caloocan City  
ATTORNEY'S ROLL NO. 30232  
LIFETIME ISP NO. 776295, January 27, 2009 / CALMANA CHAPTER  
MCLE COMPLIANCE NO. VII-0019670 / May 31, 2022 / Pasig City  
No. 15 Zone, Brgy. 172 Zamora Comp. Gate 1, Camarin Caloocan City

**SIGNATURES**


In compliance with the requirements of the Code of Corporate governance, we the members of the audit committee of the issuer, hereby certify that we have reviewed the foregoing report.

The Audit Committee:

  
Athena R. David

  
Carl Ryan Marino D. Taguba MD

  
Willie L. Go MD

  
Leilanie M. Sacdal, MD


  
Christopher Z. Nitafan, MD

JUN 08 2023

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_ affiants exhibiting to me their respective Evidence of Identity as follows

Names	Evidence of identity	Date of Issue	Place of Issue
Athena R. David	PRC 0096781	10/28/2019	Manila
Carl Ryan Marino D. Taguba	PRC 0106125	09/19/2005	Manila
Willie L. Go	PRC 0062978	06/02/1987	Manila
Leilanie M. Sacdal	PRC 0109254	02/27/2007	Manila
Christopher Z. Nitafan	PRC 0095859	08/28/2001	Manila

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PAGE NO. 22  
BOOK NO. 122  
SERIES OF 2023

  
**ATTY. SEVERINA S. AGUILAR-ACUÑA**  
NOTARY PUBLIC FOR AND WITHIN THE JURISDICTION OF CALOOCAN CITY  
Notarial Commission No. NC 444 Until December 31, 2024  
PTR No. 1250761 / January 3, 2023 / Caloocan City  
ATTORNEY'S ROLL NO. 30232  
LIFETIME IBP NO. 775295, January 27, 2009 / CALMANA CHAPTER  
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