

OPTIMUM QUALITY HEALTH VENTURES, INC.

Doing business under the name and style of
CAMARIN DOCTORS HOSPITAL

ANNUAL REPORT 2023



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, 2023**
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
Preferred Shares	1,116,000
Common Shares A	930,000
Common Shares C	53,700

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 [X] No []

- (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 983,700 voting shares held by non-affiliates of the Company as of December 31, 2023, is Php73,350,000.00

**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; **YES**
- (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

Since November 23, 2017, Optimum Quality Health Ventures, Inc. (doing business under the name and style Camarin Doctors Hospital) has operated as a stock corporation established under the laws of the Republic of the Philippines. The corporation's primary purpose is to own, manage, and maintain hospitals, medical and clinical laboratories, and other enterprises with similar or analogous undertakings related to healthcare services. However, it is explicitly stated that purely professional medical and surgical services must be provided by duly qualified physicians and surgeons, whether they are affiliated with the corporation. Patients are free to contract the services of these professionals individually.

On November 28, 2022, the hospital was granted the License to Operate after fulfilling all essential requirements mandated by the Department of Health. This certification validates the hospital's compliance with regulatory standards, ensuring its readiness to provide quality healthcare services to the community.

Competition

The responsibility of Optimum Quality Health Ventures, Inc. as an issuer in the healthcare industry is to meet the demands of the general public and medical professionals for hospital facilities. Competing within the geographic area of North Caloocan City, District 5 in Quezon City, and nearby Bulacan province, Camarin Doctors Hospital faces competition from several established hospitals, including 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 decision of medical practitioners to hold clinics and practice within Optimum Quality Health Ventures, Inc hinges on factors such as strategic location, proximity to patients, competitive pricing, and quality amenities. Having a favorable location and offering high-quality services at reasonable prices enables the hospital to effectively compete in the market.

Optimum Quality Health Ventures, Inc. boasts a team of physicians specializing in various medical fields and subspecialties. Accredited by both PhilHealth and Health Maintenance Organization (HMO), specialists in the Outpatient Department (OPD) are readily available for emergencies. The hospital's emergency room is staffed with qualified consultants, junior consultants, and residents from major departments, ensuring prompt and competent patient care.

Patients prefer Optimum Quality Health Ventures, Inc. due to its meticulous planning, design, and construction, as well as its utilization of cutting-edge technology and facilities. The hospital provides expedient and secure care, fostering a conducive environment for patient recovery and well-being.

The management team plays a crucial role in the hospital's success, directing and guiding its operations according to established objectives. Comprising a board of directors with professional experience and mutual respect, decisions are made collaboratively. Many members of the management team hold degrees in business administration, hospital administration, and hospital management, bringing valuable expertise from their experiences in other successful hospitals across Metro Manila and provinces.

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

The following are the list of Optimum Quality Health Ventures, Inc.'s suppliers as of December 31, 2023.

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. obtained the necessary License to Operate Camarin Doctors Hospital from the Department of Health on November 28, 2022. This achievement signifies the hospital's compliance with health regulations and its readiness to provide healthcare services to the community. Additionally, as of December 31, 2023, all relevant permits and certifications issued by the local government and other regulatory agencies are up to date, further ensuring the hospital's legal operation and adherence to regulatory requirements.

Government Regulations

According to Republic Act (RA) No. 7432, also referred to as the "Senior Citizens Act," senior citizens are eligible for a discount of twenty percent on a variety of goods and services. This discount applies to medical and dental services provided in private facilities, diagnostic laboratory fees (including X-rays, computerized tomography scans, and blood tests), and professional fees of attending physicians in all private hospitals and medical facilities. In addition, the rule applies to purchases made in pharmacies, drug stores, and other places that are comparable and allow for the distribution of medications. By law, the senior citizen discount offered by Optimum Quality Health Ventures, Inc. can be subtracted from the total gross income of the hospital during the same fiscal year.

An additional benefit was granted to senior citizens through the enactment of RA No. 9994, also known as the "Expanded Senior Citizens Act," in 2010. This benefit included an exemption from the 12% expanded value-added tax (EVAT). The exemption from the EVAT for senior citizens includes the following. Acquisitions of medical supplies and medications. RA No. 9994 mandates a burden-sharing arrangement between the institution and the manufacturer.

As amended by RA No. 9442, Regulatory Act (RA) 7277, also known as the "Magna Carta for Disabled Persons," grants disabled individuals' additional privileges. In all private hospitals and medical facilities, individuals with disabilities are eligible for a 20% discount on the purchase of medications, dental and medical services (including diagnostic and laboratory fees), and the professional fees of attending physicians.

On July 27, 2009, an executive order ("EO") No. 821 was issued, which imposed maximum retail prices on specific medications and medicines. The EO was implemented beginning on August 15, 2009. EO No. 821 has been implemented at Optimum Quality Health Ventures, Inc. ever since its inauguration in December 2022.

Signed on August 3, 2017, Republic Act No. 10932, colloquially referred to as the "Anti-Hospital Deposit Law," augmented the sanctions applicable to medical facilities and clinics that decline to administer suitable initial medical care during critical or emergencies. The implementation of this legislation is taking place at Optimum Quality Health Ventures, Inc.

Signed in January 2019, Republic Act No. 10963, also referred to as the "Tax Reform for Accreditation and Inclusion Act" or the TRAIN Law, granted a 12% VAT exemption on prescription pharmaceuticals and medications utilized in the treatment of hypertension, diabetes, and high cholesterol. Additionally, at Optimum Quality Health Ventures, Inc. complies with this regulation.

As of May 2019, the Implementing Rules and Regulations ("IRR") about the "Expanded Maternity Leave Law," RA No. 11210, were operational. As per legislative requirements, both public and private employers must furnish female staff members with 105 days of paid maternity leave, with the provision of an extra 30 days of unpaid leave being optional. Employers are obligated to furnish this documentation in all instances of pregnancy, irrespective of factors such as employment status, mode of delivery, child legitimacy, or civil status. Nevertheless, in the event of an emergency termination of pregnancy or miscarriage, the employee will be entitled to sixty days of maternity leave at their maximum salary.

In August of 2019, the IRR for RA No. 11215, or the National Integrated Cancer Control Law was signed by the Department of Health. The IRR implements measures to enhance the fairness, affordability, and accessibility of cancer prevention, screening, diagnosis, treatment, and care for the entire Filipino population, with a particular focus on the impoverished, disadvantaged, and indigent.

RA No. 11223 (the "Universal Health Care Act"), which was signed into IRR in October 2019, enrolls all Filipino citizens automatically in the Philippine Health Insurance Corporation (PhilHealth).

Signed in February 2020, Executive Order No. 104, titled "Improving Access to Healthcare Through the Regulation of Prices in the Retail of Drugs and Medicines," The Executive Order (EO) controls the costs of a minimum of 86 drug molecules and 133 drug formulations by imposing a maximum retail price (MRP), maximum wholesale price (MWP), or both, by a set of criteria.

In April 2021, the "Corporate Recovery and Tax Incentives for Enterprises Act," also referred to as Republic Act No. 11534, was signed into law. This legislation reduced the corporate income tax rate for

domestic corporations from 30% to 25%. For the taxable year in which the regulation is applicable, corporations that have total assets of Php100 million and net taxable income of Php5 million or less (excluding land utilized for the establishment of the business entity's office, plant, and equipment) shall incur a 20% tax rate.

To mitigate any potential substantial financial implications of the aforementioned laws and regulations, the operating margins of the hospital are routinely assessed.

Employees

As of December 31, 2023, Optimum Quality Health Ventures, Inc. has a total of 436 regular and probationary employees distributed as follows:

	Rank & File	Unit Head / Supervisor	Total
Admin Support Services	108	15	123
Ancillary Services	110	9	119
Nursing Services	181	13	194
TOTAL	399	37	436

The total expenditures for the payment of salaries and wages for 2023 amounted to Php96,689,184.

It's worth noting that Optimum Quality Health Ventures, Inc. does not have any existing labor organizations or unions among its workforce or employees.

Equipment

Optimum Quality Health Ventures, Inc., for the year 2023 made a total amount of purchases of P35,939,577.

Out of the P35,939,577 equipment purchases, the acquisition of medical equipment, tools and instruments consist of the bulk of purchases for 2023 with a purchase amount of P21,330,068.

Purchases spent for building improvement is P9,400,648 or 26% of the total purchases, the rest is attributable to the additions to furniture, fixtures, and office equipment.

Other Matters

Optimum Quality Health Ventures, Inc is not presently engaged in any proceedings resembling bankruptcy, receivership, material reclassification, merger, consolidation, or acquisition or divestment of substantial assets outside the normal course of business.

Item 2. Properties

General Description

Camarin Doctors Hospital, a Level II healthcare facility established by Optimum Quality Health Ventures, Inc., is dedicated to providing high-quality healthcare services to the community and surrounding areas in a methodical and cost-effective manner. Equipped with state-of-the-art medical technology, the hospital spans seven stories with a capacity of 105 beds and features two basement parking lots, occupying a total floor area of 14,388 square meters on a 2,716 square meter site located on Camarin Road, Barangay 172, Camarin, Caloocan City.

Each floor, approximately 1,500 square meters in size, is accessible via three spacious passenger elevators. The basement level houses the General Services Department/Maintenance area and patient parking spaces, while the Lower Ground accommodates parking spaces for physicians and dentists, along with the Linen Department.

On the Upper Ground floor, the hospital's emergency room is located, equipped with 10 stretchers, 1 isolation room, and 2 lab express facilities with a minor theater. Adjacent to the emergency room are four smart houses designed as isolation chambers for suspected communicable disease patients, including those with COVID-19. Additionally, the Laboratory, Pharmacy, Radiology Department, Main Cashier, Admissions, Billing, and PhilHealth offices are situated on this floor.

The second floor houses the Intensive Care Unit, Neonatal Intensive Care Unit, and the Operating & Delivery Room Complex with 9 theaters, Recovery Rooms, a Birthing Suite, Labor Room, Delivery Rooms, and a Caesarian Section Theater.

The third floor accommodates the Hemodialysis Unit, Cardiopulmonary Center, Rehabilitation Center, ENT Endoscopy and Hearing Center, Eye Center, EEG/EMG Center, CSSD, and Surgical Doctor's Clinics, Wound Center, and Dental Clinic.

Moving up, the fourth-floor hosts clinics for Pediatricians, Obstetrics and Gynecologists, Internists, Medical sub-specialists, the Women's Center, Children's Playroom, Breastfeeding area, and Café Alfresco.

Patient rooms are located on the 5th and 6th floors, while the seventh-floor houses various administrative departments, a chapel, and employee facilities.

Located atop the structure are repository spaces for records and forthcoming solar panels.

The hospital's property, covered by Tax Declaration number 26-172-51483-23S, is registered under TCT Number 001-2018002931. While holding a clean title to its properties, Camarin Doctors Hospital is currently under mortgage to the Development Bank of the Philippines as security for a building and construction loan.

Item 3. Legal Proceedings

There are no pending legal proceedings involving Optimum Quality Health Ventures, Inc. or any of its properties. Neither the company nor any of its properties are parties to any such proceedings.

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

No matters were submitted to a vote by the stockholders during the fourth quarter of the fiscal year covered by this report.

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.

Stockholders

The corporation's records as of December 31, 2023, show that Optimum Quality Health Ventures, Inc. has 701 stockholders. The following is the list of stockholders as of December 31, 2023:

	STOCKHOLDERS	NO. OF SHARES		%
1	Ricardo O. Javison	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
2	Larry G. Lianko	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
3	Jonathan L. Latonio	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
4	Maritoni C. Abbariao	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
5	Mario M. Domingo	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
6	Monet Estelita E. Dulay	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
7	Willie L. Go	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
8	Bryan M. Haberia	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
9	Djhoana Jet E. Siao	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
10	Carl Ryan Marino D. Taguba	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
11	Visitacion V. Toy	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
12	Leah Jeanette C. Bayan	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
13	Catherine P. Cabalic	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	

14	Winston P. Abesamis	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
15	Richard Q. Arellano	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
16	Arwin G. David	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
17	Sharon Michelle P. Bentero	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
18	Grace M. Fabon	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
19	Jehiel L. Fabon	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
20	Eli A. Florendo	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
21	Brenda B. Gianan	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
22	Maria Cristina S. Javison	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
23	Yvette Muviel B. Latonio	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
24	Chona T. Lianko	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
25	Ronald F. Licup	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
26	Arnel F. Lim	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
27	Hermie F. Maglaya-Ang	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
28	Mayshara M. Montojo	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
29	Virginia P. Go	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
30	Christopher D. Taguba	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
31	Katrina Louise M. Taguba	Preferred	36,000	3.143%
		Common A	30,000	
		TOTAL	66,000	
32	Others	Common C	53,700	2.558%

Dividends

Since its inception on December 3, 2022, Optimum Quality Health Ventures, Inc. has not declared any dividends to its stockholders. This decision is attributed to the hospital accruing a deficit during its initial operations up to this reporting period.

Despite any provisions outlined in the corporation's by-laws, the authority to determine and allocate dividends to stockholders ultimately rests with the board of directors. Thus, any decision regarding the distribution of dividends will be made by the board in accordance with prevailing circumstances and financial considerations.

Recent Sales of Unregistered or Exempt Securities

There was no shares issued by Optimum Quality Health Ventures, Inc., which were not registered with the Securities and Exchange Commission pursuant to the Securities regulation code.

DESCRIPTION OF REGISTRANT'S SECURITIES

Common or Preferred Stock

All shares of Optimum Quality Health Ventures, Inc, are common shares, with the exception of Preferred shares at the time of incorporation in 2017.

The total amount of the Authorized Capital Stock of the corporation is P229,160,000. This is divided Preferred shares of 1,116,000 with par value of P10.00 per share. Common A shares of 930,000 with par value of P50.00 per share, Common B Shares of 155,000 at P300 par value per share and Common C shares of 250,000 with par value of P500.00 per share.

Debt Securities

Optimum Quality Health Ventures, Inc has no debt securities to be registered.

Stock Options

Optimum Quality Health Ventures, Inc has no stock options to be registered.

Securities Subject to Redemption or Call

There are no convertible securities that are subject to redemption or call to be registered.

Market Information for Securities Other Than Common Equity

Optimum Quality Health Ventures Inc. has no other securities other than common equity securities.

Item 6. Management's Discussion and Analysis or Plan of Operations

Statement of Financial Position

Comparing December 31, 2023, and 2022

Optimum Quality Health Ventures, Inc.'s total assets at year-end 2023 and 2022 ended at Php810,542,186 and Php667,634,750 respectively. Total liabilities decreased to Php639,094,776 as of year-end 2023 from Php661,349,386 in year-end 2022. The stockholders' equity significantly increased to Php171,447,410 in year-end 2023 compared to the previous year of Php6,285,364 mainly due to subscription and payment of Common C 53,200 shares at P26,600,000 with a premium amounting of to P152,950,000

Total current assets increased to Php197,479,957 as of year-end 2023, as against Php66,950,456 in 2022.

Total non-current assets, which accounted for about 75.64% of the total assets in 2023 and 89.97% in 2022 amounted to Php613,062,229 and Php600,684,294 respectively. Cost of the hospital building and investment in medical equipment comprised bulk of the non-current assets.

Total current liabilities decreased to Php288,835,618 in 2023 from Php289,149,386 in 2022. The decrease of Php313,768 is mainly from accrued finance cost of Php2,255,590 and advances from stockholders of Php152,320,285 that partially offset the increase in Trade and other payables of Php122,628,726, current portion of loans payable in the amount of Php26,000,000, and recognition of lease liability of Php3,344,253.

Total non-current liabilities which consisted of loans payable to DBP stood at Php345,200,000 in 2023 versus Php372,200,000 in 2022 the factor of the decrease is due to payment of the principal in 2023. In addition, recognition of the non-current portion of the Lease Liability was recognized in the amount of Php5,059,158.

Statement of Comprehensive Income

Comparing 2023 and 2022

Revenue from operations for the year 2023 amounted to Php411,180,789 as compared to 2022 of Php6,227,196 or an increase of Php404,953,593 due to the full operation of the hospital in 2023.

Presented below is the breakdown of revenue generated for the year 2023 and 2022.

	2023	2022
Sale of medical services		
Laboratory	75,189,188	1,534,960
Special Service Units	71,829,840	1,498,208
Central Sterile Supply	47,668,569	735,867
Radiology	38,754,783	351,650
Room and Board	30,466,074	-
Hemodialysis	24,042,857	-
Pulmonary	14,690,135	120,320
Nursing Service Charge	13,117,360	76,108
Cardiology	10,992,232	49,760
Dietary	8,593,719	182,245
Sonology	5,918,690	92,210
PT Rehab	3,385,141	7,757

EEG/EMG	406,150	-
Diabetes Center	293,440	1,310
Other Hospital Fees	8,811,254	167,425
	354,159,432	4,857,819
Sales Discounts	(31,774,855)	(378,118)
	322,384,577	4,479,702
Sale of goods		
Pharmacy	88,796,212	1,747,495
Php	411,180,780	6,277,196

Direct Cost in 2023 amounted to Php272,335,477 as compared to 2022 of Php13,484,217 or an increase of Php258,851,260. Breakdown of Direct Costs for year 2023 and 2022 are presented below.

	2023	2022
Cost of Services		
Salaries and Wages	73,927,219	5,850,017
Central Sterile Supply Dept.	43,599,253	4,794,474
Doctor's Fees	28,500,162	-
Depreciation	27,539,841	-
Laboratory	21,884,995	-
Reader's Fees	14,428,678	-
Dietary	10,120,880	75,726
SSS, Philhealth and HDMF	5,587,322	372,555
Hospital Supplies	1,937,918	2,312,822
Radiology	1,311,645	-
Instrument Fees	936,090	-
Pulmonary	747,093	-
Miscellaneous	-	78,623
Total Cost of Services	230,521,096	13,484,217
Cost of Goods Sold		
Beginning Inventory	-	-
Purchases	57,483,257	-
Cost of goods available for sale	57,483,257	-
Less: Ending Inventory	(15,668,876)	-
Total Cost of Goods Sold	41,814,381	-
Cost of Services	230,521,096	13,484,217
Cost of Goods Sold	41,814,381	-
TOTAL DIRECT COST Php	272,335,477	13,484,217

Operating Expenses for 2023 stood at Php131,305,420 and in 2022 at Php21,545,279 or an increase in the amount of Php109,760,141. Breakdown of 2023 and 2022 Operating Expenses are as follows:

	2023	2022
Management Fee	32,858,050	-
Salaries and Wages	27,178,233	13,382,556
Utilities	17,802,577	2,602,583
Transportation and travel	12,236,384	-
Depreciation	6,481,968	-
Janitorial	5,545,284	-
Security	4,188,133	-
Office Supplies	3,973,863	116,412
Bank Charge	2,778,355	-
SSS, Philhealth and HDMF	2,233,668	370,008

Repairs and Maintenance	2,001,577	-
Taxes and Licenses	1,277,947	2,859,500
Marketing	1,221,060	120,500
Training and Seminars	841,053	-
Insurance	834,503	-
Representation	713,250	41,562
Professional Fees	678,956	1,841,188
Housekeeping	663,221	-
Communication	626,844	-
Rentals	585,328	-
Amortization	223,214	-
Meals	258,525	-
Fuel and Oil	241,428	-
Donations	221,745	-
Postage	111,337	-
Membership Fee	69,357	-
Penalties	14,179	113,771
Website Costs	-	-
Loan Related Fees	-	-
Miscellaneous	5,445,381	97,199
TOTAL OPERATING EXPENSE	Php 131,305,420	Php 21,545,279

The comprehensive income of Optimum Quality Health Ventures, Inc. resulted also in the increase in Other Income of Php8,365,574 from Php12,204 to Php8,377,778 which is attributable to rental income received from lease of office space located in the ground floor and sales from canteen.

Key Performance Indicators

	2023	2022
Current Ratio	0.68	0.23
Acid Test Ratio	0.32	0.06
Solvency Ratio	0.03	-0.05
Debt to Equity Ratio	3.73	105.22
Asset to Equity Ratio	4.73	106.22
Return to Equity	-0.16	-1.45
Return to Assets	-0.02	-0.10
Net Profit Margin	0.02	-4.63
Gross Profit Margin	0.34	-1.17
Book Value Per Share	167.52	-5.0

Hospital Census

The Camarin Doctors Hospital has been operational for one year. The typical daily inpatient and outpatient census figures are presented below:

	Year 2023
Average Daily Inpatients	55
Average Daily Outpatients	250

HMO Accreditation

At present, there are 26 accredited Health Maintenance Organizations (HMOs) in operation. The list of HMOs are as follows:

1. Etiqa	14. Getwell Health
2. Kaiser	15. Medicare
3. Valuecare	16. Philcare
4. Intellicare	17. Forticare
5. Avega	18. Medocare
6. Lacson & Lacson	19. Sunlife Grepa
7. Amaphil	20. Cocolife
8. Flexicare	21. IMS WealthCare
9. Eastwest	22. HMI
10. Pacific Cross	23. Carewell
11. Medasia	24. Generali Philippines
12. Medicard	25. Fortune Life
13. InLife (Insular Care)	26. Maxicare

Item 7. Financial Statements

Attached hereto is the audited financial statement of Optimum Quality Health Ventures, Inc. for the fiscal year ending December 31, 2023.

Item 8. Independent Public Accountants

a) Optimum Quality Health Ventures, Inc.'s Financial Statements were audited by R.S. Bernaldo & Associates (RSBA), serving as the company's independent auditor since 2017. Throughout this period, there have been no disputes or disagreements between RSBA and OQHVI regarding accounting principles, policies, financial statements, or disclosures.

b) Fees for External Audit

In 2023, RSBA invoiced Optimum Quality Health Ventures, Inc. for a total fee of Php257,600 which includes VAT and out-of-pocket expenditures. Similarly, in 2022, the fee invoiced by RSBA amounted to Php167,440 inclusive of VAT and out-of-pocket expenses.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

The following individuals have been designated by Optimum Quality Health Ventures, Inc. as directors for the fiscal year 2023-2024. These individuals will maintain their positions in this capacity until the election and qualification of their successors.

The directors satisfy every criterion. The subsequent information provides a concise synopsis of the credentials, professional experiences, academic pursuits, and leadership roles held by the current directors of Camarin Doctors Hospital.

Name of Director	Date of Birth	Citizenship	Position	Date of First Election to the Board
Ricardo O. Javison	June 8, 1972	Filipino	President and CEO	2017
Larry G. Lianko	October 9, 1970	Filipino	Chairman of the Board	2017
Jonathan L. Latonio	June 30, 1964	Filipino	Corporate Treasurer	2017
Leah Jeanette C. Bayan	May 30, 1973	Filipino	Corporate Secretary	2021
Maritoni C. Abbariao	February 25, 1971	Filipino	Director	2021
Mario M. Domingo	December 18, 1978	Filipino	Director	2017
Monet Estelita E. Dulay	December 11, 1976	Filipino	Director	2017
Willie L. Go	February 18, 1959	Filipino	Director	2017
Bryan M. Haberia	August 9, 1973	Filipino	Director	2017
Djhoana Jet E. Siao	December 6, 1972	Filipino	Director	2017
Carl Ryan Marino D. Taguba	August 20, 1977	Filipino	Director	2017
Visitacion V. Toy	September 21, 1963	Filipino	Director	2017
Athena R. David	July 13, 1997	Filipino	Independent Director	2021
Marygrace T. Garcia	August 17, 1979	Filipino	Independent Director	2021
Christopher Z. Nitafan	January 29, 1974	Filipino	Independent Director	2021
Leilanie M. Sacdal	November 20, 1977	Filipino	Independent Director	2021

Dr. Ricardo, O. Javison, Filipino, 51, was first elected to the Board and appointed as the President and CEO of Optimum Quality Health Ventures, Inc. in November 2017. 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.

Dr. Larry G. Lianko, Filipino, 53, was first elected as Director and appointed as the Chairman of the Board of Directors of Optimum Quality Health Ventures, Inc. in November 2017. 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 Assistant Hospital Administrator for Human Resources 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.

Dr. Jonathan L. Latonio, Filipino, 59, was elected as Director and appointed as the Corporate Treasurer of Optimum Quality Health Ventures, Inc. since November 2017. 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.

Dr. Maritoni C. Abbariao, Filipino, 53, was elected to the Board of Optimum Quality Health Ventures, Inc. on July 25, 2021. 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 several hospital committees including Marketing, Human Resources, Grievance & Complaints, and Infection & Prevention Control committee.

Dr. Mario M. Domingo, Filipino, 45, is a board of director of Optimum Quality Health Ventures, Inc. since November 2017. He is 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.

Dr. Monet Estelita E. Dulay, Filipino, 47, is a practicing Family Medicine and Primary Care Physician. She is one of the board of director of Optimum Quality Health Ventures, Inc. since November 2017. 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.

Dr. Willie L. Go, Filipino, 65, was first elected as board of director of Optimum Quality Health Ventures, Inc. in November 2017. He currently 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.

Dr. Bryan M. Haberia, Filipino, 50, is a board of director of Optimum Quality Health Ventures, Inc. since November 2017. 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.

Dr. Djhoana Jet E. Siao, Filipino, 51, 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. since November 2017. She is a practicing general surgeon in Quezon City, Caloocan City, and Bulacan. She is the head of the accounting department of Camarin Doctors Hospital and the assistant head of the purchasing department. She is a member of several hospital committees including Credentialing & Privileging, Human Resources, Business & Finance, and Marketing.

Dr. Carl Ryan Marino D. Taguba, Filipino, 46, was first elected as a board of director of Optimum Quality Health Ventures, Inc. on November 2017. 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, Pharmaceutical & Therapeutics, Anti-Microbial Stewardship, and Credentialing & Privileging Committee.

Dr. Visitacion V. Toy, Filipino, 60, is a board of director of Optimum Quality Health Ventures, Inc. since November 2017. 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.

Independent Directors

Ms. Athena R. David, Filipino, 26, was elected as an independent director on July 25, 2021. She is a registered medical technologist and worked in Phoenician Diagnostic Medical Clinic from April 2022-June 2022. She a member of the Audit Committee and Corporate Governance Committee.

Dr. Marygrace T. Garcia, Filipino, 46, was elected as an independent director on July 25, 2021. She is a 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. She is a member of the Corporate Governance Committee.

Dr. Christopher Z. Nitafan, Filipino, 50, is an independent director since July 25, 2021. He is 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. Dr. Nitafan has a degree in Bachelor of Science in Pharmacy from the University of Sto. Tomas and finished his medical degree in Fatima College of Medicine. He is the current Chairman of the Corporate Governance Committee and member of the Audit Committee.

Dr. Leilanie M. Sacdal, Filipino, 46, is an independent director of Optimum Quality Health Ventures, Inc. since July 25, 2021. She is 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.

Dr. Sacdal has a degree of Bachelor of Science in Pharmacy from the Manila Central University and finishes her medical degree from MCU-FDTMF College of Medicine. She is the Chairman of the Audit Committee and a member of the Corporate Governance Committee.

Corporate Secretary

Dr. Leah Jeanette C. Bayan, Filipino, 50, was appointed Corporate Secretary of Optimum Quality Health Ventures, Inc. since July 25, 2021. She is a practicing Internal Medicine specialist with subspecialty in Diabetology. She is currently the head of the Human Resources Development Department of Camarin Doctors Hospital. She is also a member of several hospital committee including Business & Finance, Grievance & Complaints, and Continuing Quality Improvement Committee. Dr. Bayan has a degree of Bachelor of Science in Medical Technology from the University of Sto. Tomas and a medical degree from the MCU-FDTMF College of Medicine. Dr. Bayan also finished her master's degree in business administration at Far Eastern University Institute of Accounts, Business & Finance.

Involvement in Certain Legal Proceedings

None of the directors, officers, or members of Optimum Quality Health Ventures, Inc. have been involved in any of the following events during the last six (6) years, which would be material to an evaluation of their ability or integrity to manage:

a) Filing of any bankruptcy petition by or against the business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years before that time.

b) Conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.

c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently, or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities.

Item 10. EXECUTIVE COMPENSATION

Optimum Quality Health Ventures, Inc. had just commenced its operations last December 2022, giving minimal compensation to its Board and executive officers. Amounts in 2023, still on accrual basis, while the hospital is still prioritizing other aspects of its operations and would only be realized once reasonable profits to cover said amounts already realized.

The key officers are entitled to receive a total compensation as presented below for their efforts in organizing and helping in the deliberation of the project.

Name and Principal Position	Year	Salary	Other Annual Compensation	Total Annual Compensation
Ricardo O. Javison, MD President (2017-present)	2023	600,000.00	981,640.76	1,581,640.76
Larry G. Lianko, MD Chairman (2017-present)	2023	600,000.00	1,085,562.20	1,685,562.20
Jonathan L. Latonio, MD Corporate Treasurer (2017-present)	2023	540,000.00	688,023.82	1,228,023.82
Leah Jeanette C. Bayan, MD Corporate Secretary (2021-present)	2023	480,000.00	431,572.90	911,572.90
All other officers and directors as a group (unnamed)	2023	3,685,000.00	4,721,860.57	8,406,860.57
Total	2023	5,905,000.00	7,908,660.25	13,813,660.25

Compensation of Directors

For Board of Directors meetings and Committee meetings, all directors are provided per diems for every Board or Committee meeting attended, with the following rates:

TYPE OF MEETING	OFFICERS	AMOUNT OF PER DIEMS
Board Meeting	Chairman	Php5,000.00 each per meeting for all members of the Board
	President	
	Corporate Secretary	
	Corporate Treasurer	
	Board Member	
	Independent Director	
	Compliance Officer	

TYPE OF MEETING	OFFICERS	AMOUNT OF PER DIEMS
Committee Meetings	Committee Head	Php3,000.00 each per meeting for all members of the committee.
	Members	

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, 2023, is 983,700 shares, breakdown of which are as follows: Common Share A 930,000 shares and Common Share C – 53,700 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

There are no owners of records of more than 5% of the voting securities as of December 31, 2023.

Security Ownership of Management and Directors

The following table shows the security ownership of management and directors as of December 31, 2023.

Name of Beneficial Owner	Amount of Beneficial Ownership (Php)	Nature of Beneficial Ownership	Citizen ship	Type of Shares	Number of Shares	Percent
Ricardo O. Javison President	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Larry G. Lianko Chairman	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Jonathan L. Latonio Corporate Treasurer	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Maritoni C. Abbariao Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Mario M. Domingo Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Monet Estelita E. Dulay Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Willie L. Go Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Bryan M. Haberia Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Djhoana Jet E. Siao Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	

Carl Ryan Marino D. Taguba Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Visitacion V. Toy Director	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Leah Jeanette C. Bayan Corporate Secretary	1,860,000	Direct	Filipino	Preferred	36,000	3.143%
				Common A	30,000	
Athena R. David Independent Director	50,000	Direct	Filipino	Common C	100	0.0047%
Marygrace T. Garcia Independent Director	50,000	Direct	Filipino	Common C	100	0.0047%
Christopher Z. Nitafan Independent Director	50,000	Direct	Filipino	Common C	100	0.0047%
Leilanie M. Sacdal Independent Director	50,000	Direct	Filipino	Common C	100	0.0047%

Item 12. Certain Relationships and Related Party Transactions

Family Relationships

There are no known family relationships between the current members of the Board of Directors and key officers.

Related Transactions

Related party transactions are discussed in Note 10, Related Party Transactions, in the herein attached 2023 Audited Financial Statements.

Part IV. CORPORATE GOVERNANCE

Item 13. Corporate Governance

Incorporating compliance with regulatory mandates and emphasizing the commitment to corporate governance practices, Optimum Quality Health Ventures, Inc. ensures alignment with standards of effective governance. The hospital's dedication to regulatory requirements is evident in its inclusion of the Manual on Corporate Governance within its Registration Statement filed with the Securities and Exchange Commission in 2022. The Compliance Officer diligently executes responsibilities outlined in the Manual, ensuring adherence to prescribed procedures.

The Board of Directors, comprising fifteen (15) members elected during the 2023 Annual Stockholders' Meeting, with four (4) independent directors, steadfastly upholds the organization's mission and vision. To facilitate efficient governance, various committees, including the Executive, Management, Audit, Corporate Governance, and Quality Assurance and Patient Safety Committees, have been established in accordance with regulatory mandates.

R.S Bernaldo and Associates has served as Optimum Quality Health Ventures, Inc.'s external auditor since 2018, ensuring rigorous examination of financial records in compliance with SRC Rule 68 (3)(b)(iv). Notably, adherence to regulatory requirements includes avoiding the concurrent provision of internal audit services by the external auditor.

Recognizing the significance of stockholders' rights, the Company has implemented mechanisms to safeguard voting, pre-emptive, inspection, information, dividends, and appraisal rights. Furthermore, the Board retains the authority to disqualify, suspend, or censure directors and top-level management, following due process as outlined in the Manual.

To maintain alignment with evolving governance standards, the Manual undergoes annual review by the Board, ensuring continual relevance and effectiveness. Optimum Quality Health Ventures, Inc remains steadfast in its commitment to enhancing corporate governance practices, allocating dedicated time at Board Meetings for ongoing assessment and improvement of corporate processes.

Part V- EXHIBIT AND SCHEDULES


Exhibits

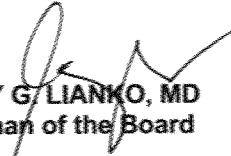
1. Audited Financial Statement for the years ended December 31, 2023

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

APR 12 2024

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

Names	Evidence of Identity	Date of Issue	Place of Issue
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

Doc. No. 236
 Page No. 49
 Book No. 159
 Series of 2024


ATY. SE. ...
Notary Public for the Philippines
 Office: ...
 ...

COVER SHEET
For
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	8	9	1	9
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Company Name

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V	E	N	T	U	R	E	S	I	N	C	.	d	o	i	n	g	b	u	s	i	n	e	s	s					
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C	A	M	A	R	I	N	D	O	C	T	O	R	S	H	O	S	P	I	T	A	L									
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Principal Office (No./Street/Barangay/City/Town/Province)

1	C	A	M	A	R	I	N	R	O	A	D	B	A	R	A	N	G	A	Y	1	7	2	,							
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Form Type

AA	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

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Company's Email Address

info@camarindoctorshospital.ph

Company's Telephone Number/s

(02)8260-5952

Mobile Number

(63)917-713-4206

No. of Stockholders

701

Annual Meeting

Month/Day
2nd SUNDAY OF MAY

Fiscal Year

Month/Day
December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ricardo O. Javison

Email Address

--

Telephone Number/s

02-82605952

Mobile Number

--

Contact Person's Address

1 Camarin Road, Barangay 172, Camarin ,Caloocan City, 1421
--

Note: 1.) In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.



OQHV Inc. <oqhvi.tax@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>

To: OQHVI.TAX@gmail.com

Cc: OQHVI.TAX@gmail.com

Fri, Apr 12, 2024 at 3:56 PM

Hi OPTIMUM QUALITY HEALTH VENTURES, INC.,

Valid files

- EAFS009895673ITRTY122023.pdf
- EAFS009895673AFSTY122023.PDF

Invalid file

- <None>

Transaction Code: **AFS-0-87LBKAC03YTRVTRRNPT33WSQ04XVPYTPW**

Submission Date/Time: **Apr 12, 2024 03:56 PM**

Company TIN: **009-895-673**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



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**

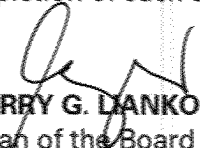
The Management of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2023, 2022 and 2021, and for each of the three years in the period ended December 31, 2023, 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 G. LIANKO
 Chairman of the Board


DR. RICARDO O. JAVISON
 President


DR. JONATHAN L. LATONIO
 Treasurer


Signed this 4th day of April 2024.

APR 04 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2024 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 G. 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. 188
 Page No. 39
 Book No. 108
 Series of 2024


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. 1941003 / January 2, 2024 / Caloocan City
 Attorney's Roll No. 30222
 Lifetime ISP No. 776295, January 27, 2019 / CALMANA CHAPTER
 MCLE Compliance No. VII 201970 valid until April 14, 2025 / Pasig City
 No. 15 Zarea, Brgy. 172 Zamora Comp. Gate 1, Camarin, Caloocan City

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, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including 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, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of 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.

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.

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 36 and 37, 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.** 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.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until May 28, 2024

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

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MARVIN G. GARCIA

Partner

CPA Certificate No. 102934

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. 10081201

Issued on January 9, 2024 at Makati City

April 4, 2024

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

December 31, 2023 and 2022

(In Philippine Peso)

	NOTES	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	6	32,449,597	15,741,543
Trade and other receivables	7	59,011,162	481,112
Inventories	8	29,023,403	-
Other current assets	9	76,995,795	50,727,801
		197,479,957	66,950,456
Non-current Assets			
Property and equipment – net	10	604,847,118	599,568,223
Right-of-use asset – net	11	6,722,254	-
Intangible asset – net	12	892,857	1,116,071
Security deposit	28	600,000	-
		613,062,229	600,684,294
TOTAL ASSETS		810,542,186	667,634,750
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	146,957,160	22,039,306
Accrued finance cost	16	2,246,503	4,502,093
Advances from stockholders	19	36,965,345	189,285,630
Loans payable	16	53,000,000	27,000,000
Retention payable	18	46,322,357	46,322,357
Lease liability	17	3,344,253	-
		288,835,618	289,149,386
Non-current Liabilities			
Loans payable – net of current portion	16	345,200,000	372,200,000
Lease liability – net of current portion	17	5,059,158	-
		350,259,158	372,200,000
TOTAL LIABILITIES		639,094,776	661,349,386
STOCKHOLDERS' EQUITY			
Capital Stock	20	84,510,000	57,910,000
Additional Paid-in Capital	20	152,950,000	-
Deficits		(66,012,590)	(51,624,636)
TOTAL STOCKHOLDERS' EQUITY		171,447,410	6,285,364
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		810,542,186	667,634,750

(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, 2023, 2022 and 2021

(In Philippine Peso)

	NOTES	2023	2022	2021
REVENUE – net	21	411,180,789	6,227,196	-
DIRECT COSTS	22	272,335,477	13,484,217	-
GROSS INCOME (LOSS)		138,845,312	(7,257,021)	-
OTHER INCOME	23	8,377,778	12,204	71,526
		147,223,090	(7,244,817)	71,526
OPERATING EXPENSES	24	131,305,420	21,545,279	2,438,254
FINANCE COSTS	16,17	28,100,840	4,502,093	-
LOSS BEFORE TAX		(12,183,170)	(33,292,189)	(2,366,728)
INCOME TAX EXPENSE	26	2,204,784	-	-
LOSS		(14,387,954)	(33,292,189)	(2,366,728)
LOSS PER SHARE	29	(14.63)	(35.80)	(2.54)

(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, 2023, 2022 and 2021

(In Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Deficits	Total
Balance at January 1, 2021		57,660,000	-	(15,965,719)	41,694,281
Issuance of common shares	20	250,000			250,000
Loss				(2,366,728)	(2,366,728)
Balance at December 31, 2021		57,910,000	-	(18,332,447)	39,577,553
Loss				(33,292,189)	(33,292,189)
Balance at December 31, 2022	20	57,910,000	-	(51,624,636)	6,285,364
Issuance of common shares	20	26,600,000			26,600,000
Additional paid-in capital	20		152,950,000		152,950,000
Loss				(14,387,954)	(14,387,954)
Balance at December 31, 2023	20	84,510,000	152,950,000	(66,012,590)	171,447,410

(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, 2023, 2022 and 2021

(In Philippine Peso)

	NOTES	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(12,183,170)	(33,292,189)	(2,366,728)
Adjustments for:				
Depreciation	10,11,22,24	34,021,809	-	-
Finance cost	16,17	28,100,840	4,502,093	-
Amortization	12,24	223,214	-	-
Finance income	6,23	(237,488)	(12,204)	(71,526)
Operating cash flows before changes in working capital		49,925,205	(28,802,300)	(2,438,254)
Increase in operating assets:				
Trade and othe receivables		(58,530,050)	(481,112)	-
Inventories		(29,023,403)	-	-
Deferred input VAT		-	-	(17,515,147)
Other current assets		(28,472,778)	(16,592,985)	-
Security deposit		(600,000)	-	-
Increase (Decrease) in trade and other payables		124,649,679	20,371,900	(552,137)
Net cash from (used in) operating activities		57,948,653	(25,504,497)	(20,505,538)
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,23	237,488	12,204	71,526
Additions to intangible asset	12	-	-	(1,116,071)
Payments of advances to contractors	13	-	(55,524,350)	(94,927,757)
Additions to property and equipment	10	(35,939,577)	(65,818,942)	(78,054,028)
Net cash used in investing activities		(35,702,089)	(121,331,088)	(174,026,330)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	20	179,550,000	-	250,000
Advances received from stockholders	19	-	61,918,663	29,475,844
Proceeds from loans	16	-	39,200,000	180,000,000
Payments of finance cost on lease liability	17	(120,030)	-	-
Payments on loans	16	(1,000,000)	-	-
Payment on lease liability	17	(1,679,970)	-	-
Payments of finance cost on loans	16	(29,968,225)	-	-
Repayments of advances from stockholders	19	(152,320,285)	-	-
Net cash from (used in) financing activities		(5,538,510)	101,118,663	209,725,844
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		16,708,054	(45,716,922)	15,193,976
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		15,741,543	61,458,465	46,264,489
CASH AND CASH EQUIVALENTS AT END OF YEAR		32,449,597	15,741,543	61,458,465

(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

As of December 31, 2023 and 2022 and for each of the
Three Years in the Period Ended December 31, 2023

1. CORPORATE INFORMATION

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 MSRDC 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 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 recognised as income or expense in the current period. The effect, if any, on future periods is recognised 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.

- Amendments 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.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

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, 2024, with early application permitted.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments clarify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application 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 and inventories carried at lower of cost or net realizable value.

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 12 months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least 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. MATERIAL 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 Financial Assets

4.01.01 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.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

4.01.02 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 and cash equivalents, trade and other receivables, and security deposit.

a) Cash in Banks and Cash Equivalents

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.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less and are subject to an insignificant risk of change in value.

b) Trade and Other Receivables

Trade and other receivables 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.

4.01.03 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.

4.01.04 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 following approaches in accounting for impairment:

➤ General Approach

The Company applies general approach to cash in banks, other receivables and security deposit. 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 rate, interest rate, and inflation rate; the status of 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 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 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 did not apply the 30 days past due rebuttable presumption since based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

The Company did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since based on the Company's historical experience past due amounts even over 90 days are still collectible.

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. 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.

➤ **Simplified Approach**

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. 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. 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;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and

- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider.

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

4.01.05 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 Other Current Assets

4.02.01 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.

For zero rated sales, input VAT is initially recorded as an asset and measured at the amount of cash paid. Subsequently, the Company may apply within two (2) years after the close of the taxable quarter when such sale was made for the tax refund of creditable input tax due or paid attributable to sales that are zero-rated or effectively zero-rated.

4.02.01 Advances to Suppliers

Advances to suppliers pertains to advance payment made to its suppliers for the purchase of materials and supplies to be delivered. These are initially recorded as assets and measured at the amount of cash paid. Advances to suppliers are charged to profit or loss upon acquisition of the materials and supplies.

4.03 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs are determined using the specific identification method. Net realizable value represents the estimated selling price for inventories less all estimated and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statements of comprehensive income. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the cost of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.04 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.

Land is not depreciated. Depreciation of hospital building, furniture and fixtures, transportation equipment, hospital equipment, office equipment and janitorial equipment is computed on the straight line 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.

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate, if there is an indication of significant change since the last reporting date.

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.

4.05 Intangible Asset

Intangible asset acquired separately is initially carried at cost. Subsequently, intangible asset with definite useful life is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the system software of five (5) years.

The estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.06 Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any of its assets other than inventories and 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.

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.

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.

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.

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.

4.07 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 as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.08 Financial Liabilities

4.08.01 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.

At initial recognition, 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.

4.08.02 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 trade and other payables (excluding due to government agencies), accrued finance cost, advances from stockholders, loans payable, retention payable, and lease liability.

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

4.08.03 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.

4.09 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.

4.10 Employee Benefits

4.10.01 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.

4.11 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.

4.11.01 Performance Obligations Satisfied Over Time

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

4.11.02 Performance Obligations Satisfied at a Point in Time

The Company's sale of pharmaceutical supplies and medicines is recognized at point in time. This is when:

- The Company has a present right to payment for goods;
- The Company has transferred physical possession of the goods; and
- The customer has accepted the goods.

4.11.03 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.

4.12 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.

4.13 Leases

4.13.01 The Company as a Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

4.13.02 The Company as a Lessee

The Company considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition the Company assesses whether the contract meets three key evaluations, which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.

- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Right-of-Use (ROU) Asset

At the commencement date, the Company measures the ROU assets at cost, which comprises of:

- initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and accumulated impairment losses. The Company depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The Company also assesses the ROU assets for impairment when such indicators exist.

ROU asset is presented as a separate line item on the statements of financial position.

Lease liabilities

At the commencement date, the Company measures the lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Company uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liabilities comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liabilities by:

- increasing the carrying amount to reflect interest on the lease liabilities;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Company recognizes the amount of remeasurement of the lease liabilities as an adjustment to the right-of-use asset. However, if the carrying amount of the ROU assets is reduced to zero and there is further reduction in the measurement of the lease liabilities, the Company recognizes any remaining amount of the remeasurement in profit or loss.

Lease liabilities is presented as a separate line item on the statements of financial position.

4.14 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.

4.15 Taxation

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

4.15.01 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.

4.15.02 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.

4.15.03 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.

4.16 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.

4.17 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, 2023 and 2022, the carrying amounts of the Company's financial asset measured at amortized cost amounted to P86,121,429 and P16,222,655, respectively, as disclosed in Note 31.02.

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. In 2023 and 2022, capitalized borrowing cost amounted to nil and P15,956,025, respectively, as disclosed in Notes 10 and 16.

5.01.03 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.

Management assessed that performance obligation is satisfied over time for its medical services. This is when the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

In addition, Management assessed that performance obligation is satisfied at a point in time for its sale of pharmacy inventory. This is when there is a present right to payments of goods, transfer of physical possession of goods and acceptance of the same by its customers.

In 2023, 2022 and 2021, revenue from sale of service amounted to P322,384,577, P4,479,702 and nil, respectively, as disclosed in Note 21.

In 2023, 2022 and 2021, revenue from sale of goods amounted to P88,796,212, P1,747,494 and nil, respectively, as disclosed in Note 21.

5.01.04 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 both sales of goods and services.

5.01.05 Assessment of 30 days Rebuttable Presumption

The Company determines when a significant increase in credit risk occurs on its financial assets based on the credit Management practice of the Company.

Management believes that the 30 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable because based on the Company's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

5.01.06 Assessment of 90 Days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on historical experience on collections per patient, HMO, PHIC, PCSO and other counterparties and credit Management practice of the Company.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is not applicable because based on the Company's historical experience on collections per patient and aging schedules, the Company considers some of its financial assets to be not impaired even if this is past due for over one (1) year.

5.01.07 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised, and Termination Option will not be Exercised

Lease term is the non-cancellable period for which the Company has the right to use an underlying asset including optional periods when the Company is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Company is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee. The lease contracts state that the lease is terminated upon the expiration of the lease period, unless renewed by both parties. Thus, the lease term covers only the noncancelable term of the contract.

For lease agreement with Project 45 Ventures Corporation, Management assessed that the Company will extend the lease term beyond the non-cancelable lease period because the renewal is subject to mutual consent by both parties. However, extension of lease contract without mutual consent of both parties is not enforceable. The lease term determined by the Management comprises the non-cancelable term of three (3) years.

5.01.08 Determining Whether or not a Contract Contains a Lease

Management assessed that lease agreements with Project 45 Ventures Corporation as disclosed in Note 28, qualified as a lease since the contract contains an identified asset, the Company has the right to obtain substantially all the economic benefits, and the Company has the right to direct the use of the identified asset throughout the period of use.

5.01.09 Assessment of Classification of Lease as a Lessor

The Company determines whether a lease qualifies as an operating lease. In making its judgments, the Company considers whether the risk and reward of the leased property will be transferred to the lessee. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

Management assessed that the Company's lease contracts qualify as operating leases because the risk and reward of the leased property will not be transferred to the lessee at the end of the lease term.

The Company earned rental income amounting to P1,331,293, nil and nil in 2023, 2022 and 2021, respectively, as disclosed in Notes 23 and 28.

5.01.10 Distinction Between Property and Equipment and Investment Property

The Company determines whether a property qualifies as investment property. In making its judgments, the Company considers whether the property generates cash flows largely independent of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Company accounts for the portions separately.

If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

The portion of office space located in the ground floor of the building leased out to third parties cannot be sold separately, the property is accounted for under 'property and equipment' because significant portion of the property is held for use in the production or supply of goods or services or for administrative purposes.

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 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Company recognizes expense and provides allowance for decline in value of inventories whenever net realizable values of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written-off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2023 and 2022, Management determined that the net realizable values of the Company's inventories approximate their costs; hence, no impairment or write-down was recognized. The costs of inventories as of December 31, 2023 and 2022 amounted to P29,023,403 and nil, respectively, as disclosed in Note 8.

5.02.02 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, 2023 and 2022, the carrying amounts of depreciable property and equipment amounted to P549,403,048 and P544,124,153, respectively, as disclosed in Note 10.

5.02.03 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of other current assets, property and equipment, right-of-use asset, and intangible asset 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 other current assets, property and equipment, right-of-use asset and intangible asset 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 other current assets, property and equipment, right-of-use asset, and intangible asset. As of December 31, 2023 and 2022, the aggregate carrying amounts of the aforementioned assets amounted to P689,458,024 and P651,412,095, respectively, as disclosed in Notes 9,10,11 and 12.

5.02.04 Estimating Allowance for Expected Credit Losses

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 both years.

The Company uses growth in health industry and other macro-economic factors to assess the expected credit losses on its trade and other receivables. In view of the foregoing factors, Management believes that the estimated expected credit loss is nil in both years.

Security deposit represents 0.07% of total financial assets in 2023. However, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole, as disclosed in Note 31.02.

As of December 31, 2023 and 2022, the Company's financial assets measured at amortized cost amounted to P86,121,429 and P16,222,655, respectively, as disclosed in Note 31.02.

5.02.05 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, 2023 and 2022 amounted to P15,171,838 and P9,904,609, respectively, as disclosed in Note 27.

5.02.06 Reviewing Residual Values, Useful Lives and Amortization Method of Intangible Asset

The residual values, useful lives and amortization method of the Company's intangible assets 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; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management. Amortization ceases when the asset is derecognized. The Company uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the asset's future economic benefits.

In both years, Management assessed that there are no indications of any change in pattern used by the Company in consuming its intangible asset's future economic benefits. As of December 31, 2023 and 2022, the carrying amounts of intangible asset amounted to P892,857 and P1,116,071, respectively, as disclosed Note 12.

5.02.07 Estimating the Appropriate Discount Rate to Use

The Company measures the lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Company uses the incremental borrowing rate.

Management used incremental borrowing rate of 5.38% to measure the present value of its lease liability since the implicit rate was not readily available.

6. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash includes cash on hand, cash in banks and cash equivalents.

Cash and cash equivalents at the end of the reporting periods, as shown in the statements of cash flows, can be reconciled to the related items in the statements of financial position as follows:

	2023		2022	
Cash on hand	P	5,939,330	P	-
Cash in banks		14,510,267		15,741,543
Cash equivalents		12,000,000		-
	P	32,449,597	P	15,741,543

Cash in banks earn interest at floating rates based on daily bank deposits' rates. The Company's cash equivalents pertain to time deposits with an interest rate of 5.50% per annum in 2023. The deposits have a maturity range of 91 days.

In 2023, 2022 and 2021, finance income earned from bank deposits amounted to P113,921, P12,204 and P71,526, respectively, as disclosed in Note 23. In 2023, 2022 and 2021, finance income earned from cash equivalents amounted to P123,567, nil, and nil, respectively, as disclosed in Note 23.

7. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables consist of:

	2023		2022	
Trade	P	58,684,575	P	481,112
Advances to officers and employees		157,398		-
Others		169,189		-
	P	59,011,162	P	481,112

Trade pertains mainly to receivables from the Health Maintenance Organizations (HMOs) and PhilHealth which are non-interest-bearing and are collectible within 90-day term.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period.

Aging of receivables that are past due but not impaired as of December 31, 2023 and 2022 are as follows:

	2023	2022
1 – 30 days	P 20,216,935	P -
31 – 60 days	-	-
61 – 90 days	73,567	-
91 – 120 days	200,767	-
Over 120 days	951,886	-
	P 21,443,155	P -

8. INVENTORIES

The Company's inventories are detailed as follows:

	2023	2022
Pharmacy inventory	P 15,668,876	P -
Hospital supplies	13,354,527	-
	P 29,023,403	P -

Total cost of pharmacy inventories recognized as expense in 2023, 2022 and 2021 amounted to P41,814,381, nil and nil, respectively, as disclosed in Note 22.

Total cost of hospital supplies recognized as expense in 2023, 2022 and 2021 amounted to P1,937,918, P2,312,822 and nil, respectively, as disclosed in Note 22.

Inventories are expected to be recovered within twelve (12) months after reporting period.

9. OTHER CURRENT ASSETS

The details of the Company's other current assets are shown below:

	2023	2022
Input VAT	P 65,401,470	P 50,727,801
Advances to suppliers	10,103,057	-
Advances to contractors	1,323,200	-
Excess tax credits	168,068	-
	P 76,995,795	P 50,727,801

Input VAT arises from the purchase of goods or services. This is applied against output VAT. Input VAT represents the twelve percent (12%) amount paid for the purchase of goods and services from various VAT – registered suppliers.

Advances to suppliers pertain to advance payments to suppliers of medical supplies.

10. 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
January 1, 2022									
Cost	P 55,444,070	P -	P -	P -	P -	P -	P -	P 313,010,354	P 368,454,424
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Carrying Amount	55,444,070	-	-	-	-	-	-	313,010,354	368,454,424
Movements during 2022									
Balance, January 1	55,444,070	-	-	-	-	-	-	313,010,354	368,454,424
Additions	-	1,147,706	1,584,025	15,249,875	717,678	127,939	-	212,286,576	231,113,799
Reclassification	-	-	-	-	-	-	525,296,930	(525,296,930)	-
Balance, December 31, 2022	55,444,070	1,147,706	1,584,025	15,249,875	717,678	127,939	525,296,930	-	599,568,223
December 31, 2022									
Cost	55,444,070	1,147,706	1,584,025	15,249,875	717,678	127,939	525,296,930	-	599,568,223
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Carrying Amount	P 55,444,070	P 1,147,706	P 1,584,025	P 15,249,875	P 717,678	P 127,939	P 525,296,930	P -	P 599,568,223

[Balance Carry-Forwarded]

[Balance Forwarded]

	Land	Furniture and Fixtures	Transportation Equipment	Hospital Equipment	Office Equipment	Janitorial Equipment	Hospital Building	Construction-in-Progress	Total
Movements during 2023									
Balance, January 1	P 55,444,070	P 1,147,706	P 1,584,025	P 15,249,875	P 717,678	P 127,939	P 525,296,930	P -	P 599,568,223
Additions	-	2,142,859	-	21,330,068	3,066,002	-	9,400,648	-	35,939,577
Depreciation (Notes 22 and 24)	-	(250,286)	(158,403)	(2,864,167)	(247,516)	(42,646)	(27,097,664)	-	(30,660,682)
Balance, December 31, 2023	55,444,070	3,040,279	1,425,622	33,715,776	3,536,164	85,293	507,599,914	-	604,847,118
December 31, 2023									
Cost	55,444,070	3,290,565	1,584,025	36,579,943	3,783,680	127,939	534,697,578	-	635,507,800
Accumulated depreciation	-	(250,286)	(158,403)	(2,864,167)	(247,516)	(42,646)	(27,097,664)	-	(30,660,682)
Carrying Amount	P 55,444,070	P 3,040,279	P 1,425,622	P 33,715,776	P 3,536,164	P 85,293	P 507,599,914	P -	P 604,847,118

The Company has started the construction of its hospital building in 2019.

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 P35,939,577 and P65,818,942 were paid in cash in 2023 and 2022, respectively.

In 2023 and 2022, additions in construction-in-progress includes transfers from advances to contractors amounting to nil and P135,020,033, respectively, and recoupment of advance payment bonds amounted to nil and P19,022,052, respectively.

In 2023 and 2022, the amount of finance cost capitalized as part of construction-in-progress amounted to nil and P15,956,025, respectively, as disclosed in Note 16.

Depreciation expense is allocated as follows:

	2023		2022	
Direct costs (Note 22)	P	27,539,841	P	-
Operating expenses (Note 24)		3,120,841		-
	P	30,660,682	P	-

In 2023 and 2022, Management determined that there is no indication that impairment has occurred on its property and equipment.

11. RIGHT-OF-USE ASSET – net

The carrying amount of the Company's right-of-use asset are as follows:

	2023		2022	
Balance, January 1				
Cost	P	-	P	-
Accumulated depreciation		-		-
Carrying amount		-		-
Movements during the year				
Balance, January 1		-		-
Additions		10,083,381		-
Depreciation (Note 24)		(3,361,127)		-
Balance, December 31		6,722,254		-
Balance, December 31				
Cost		10,083,381		-
Accumulated depreciation		(3,361,127)		-
Carrying amount	P	6,722,254	P	-

The details of the lease contract are disclosed in Note 28.

As of December 31, 2023 and 2022, lease liability related to right-of-use asset amounted to P8,403,411 and nil, respectively, as disclosed in Notes 17 and 28.

In both years, the Company has determined that there is no indication that impairment occurred on its right-of-use asset.

12. INTANGIBLE ASSET – net

The carrying amount of the Company's intangible asset are as follows:

	2023		2022	
Balance, January 1				
Cost	P	1,116,071	P	1,116,071
Accumulated amortization		-		-
Carrying amount		1,116,071		1,116,071
Movements during the year				
Balance, January 1		1,116,071		1,116,071
Amortization (Note 24)		(223,214)		-
Balance, December 31		892,857		1,116,071
Balance, December 31				
Cost		1,116,071		1,116,071
Accumulated amortization		(223,214)		-
Carrying amount	P	892,857	P	1,116,071

The intangible asset of the Company pertains to hospital information system.

The remaining useful life ranges from four (4) to five (5) years as of December 31, 2023 and 2022.

In both years, the Company has determined that there is no indication of impairment on its intangible asset.

13. ADVANCES TO CONTRACTORS

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

	2023		2022	
Balance, January 1	P	-	P	79,495,683
Payments		-		55,524,350
Transfers (Note 10)		-		(135,020,033)
Balance, December 31	P	-	P	-

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

14. 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:

	2023		2022	
Balance, January 1	P	-	P	19,022,052
Recoupment (Note 10)		-		(19,022,052)
Balance, December 31	P	-	P	-

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

15. TRADE AND OTHER PAYABLES

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

	2023		2022	
Trade	P	81,897,082	P	19,815,071
Accrued expenses		41,755,230		422,327
Professional fees payable		18,536,344		-
Due to government agencies		3,832,751		1,495,491
Others		935,753		306,417
	P	146,957,160	P	22,039,306

The average credit period for trade payables is 30 days. No interest is charged on the trade payables.

Accrued expenses pertain to accrual of professional fees, employee benefits and salaries and wages. Accrued expenses include accrued finance cost from lease liability amounting to P268,175 and nil, in 2023 and 2022, respectively, as disclosed in Note 17.

Professional fees payable pertain to the outstanding obligations of the Company to its doctors with respect to their services.

Due to government agencies pertain to withholding taxes and SSS, PHIC and HDMF premiums contributions.

16. 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 roof deck 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:

	2023		2022	
Balance, January 1	P	399,200,000	P	360,000,000
Availments		-		39,200,000
Payment		(1,000,000)		-
Balance, December 31	P	398,200,000	P	399,200,000

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

	2023		2022	
Non-current portion	P	345,200,000	P	372,200,000
Current portion		53,000,000		27,000,000
	P	398,200,000	P	399,200,000

The loan is subject to an interest rate of 5.25% to 5.50% per annum payable quarterly based on drawdown amount. The interest may be increased or decreased during the term of the loans.

In 2023 and 2022, the Company's capitalized finance cost as part of construction-in-progress amounted to nil and P15,956,025, respectively, as disclosed in Note 10.

Movements of accrued finance cost are as follows:

	2023		2022	
Balance, January 1	P	4,502,093	P	4,095,000
Finance cost incurred		27,712,635		20,458,118
Finance cost paid		(29,968,225)		(20,051,025)
Balance, December 31	P	2,246,503	P	4,502,093

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 10. The aggregate carrying amounts of pledged assets are as follow:

	2023		2022	
Hospital building	P	507,599,914	P	525,296,930
Land		55,444,070		55,444,070
Hospital equipment		33,715,776		15,249,875
Office equipment		3,536,164		717,678
Furniture and fixtures		3,040,279		1,147,706
Transportation equipment		1,425,622		1,584,025
Janitorial equipment		85,293		127,939
	P	604,847,118	P	599,568,223

The Company shall maintain a total debt-to-equity ratio of 70:30. Total credit shall mean the aggregate amount of all short-term and long-term liabilities of the company. Equity shall mean the aggregate issued share capital and retained earnings of the Company.

The Company is compliant with the terms and conditions of the loan agreement. Further, the Company pays the amortization without any delays.

17. LEASE LIABILITY

The Company, as lessee, entered into lease arrangements, as disclosed in Note 28. The following are the amounts of lease liabilities:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2023	2022	2023	2022
Not later than one (1) year	P 5,400,000	P -	P 4,876,078	P -
Later than one (1) year but not later than five (5) years	3,600,000	-	3,527,333	-
	9,000,000	-	8,403,411	-
Discount	(596,589)	-	-	-
Present value of minimum lease payments	8,403,411	-	8,403,411	-
Current portion	3,344,253	-	3,344,253	-
Non-current portion	P 5,059,158	P -	P 5,059,158	P -

Management used incremental borrowing rate of 5.38% to measure the present value of its lease liabilities since the implicit rate was not readily available.

In 2023 and 2022, the finance cost incurred from lease liability amounted to P388,205 and nil, respectively. Finance cost paid amounted to P120,030 and nil, in 2023 and 2022, respectively. Accrued finance cost amounted to P268,175 and nil, in 2023 and 2022, respectively, as disclosed in Note 15. In 2023 and 2022, lease liability paid amounted to P1,679,970 and nil, respectively.

As of December 31, 2023 and 2022, related right-of-use asset amounted to P6,722,254 and nil, as disclosed in Note 11.

The Company is compliant with the terms and conditions of the lease.

18. RETENTION PAYABLE

Retention payable represents amounts withheld from payments to contractors as guaranty for any future claims against the contractor. As of December 31, 2023 and 2022, the Company's retention payable amounted to P46,322,357.

These are non-interest bearing and will be remitted to contractors.

19. RELATED PARTY TRANSACTIONS

The Company's related party is its stockholders acting as its key management personnel.

Balances and transaction between the Company and its related party is disclosed below:

19.01 Advances from Stockholders

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

19.01.01 Key Management Personnel

Transactions with stockholders are detailed as follows:

	December 31, 2023		December 31, 2022	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
Stockholders				
Advances	P -	P 36,965,345	P 61,918,663	P 189,285,630

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.

In 2023 and 2022, payments made by the Company to its related party amounted to P152,320,285 and nil, respectively.

19.02 Remuneration of Key Management Personnel

The Company's remuneration to its key management personnel amounted to P32,858,050 and nil, in 2023 and 2022, respectively.

20. ISSUED CAPITAL

The issued capital of the Company are as follows:

	2023		2022	
Capital stock	P	84,510,000	P	57,910,000
Additional paid-in capital		152,950,000		-
	P	237,460,000	P	57,910,000

Additional paid-in capital pertains to amount paid by the Company's stockholders which exceeded the par value of its ordinary shares.

Components of capital stock are as follows:

	2023		2022	
Common shares	P	73,350,000	P	46,750,000
Preference shares		11,160,000		11,160,000
	P	84,510,000	P	57,910,000

20.01 Common Shares

Details of Company's authorized common shares as of December 31, 2023 and 2022 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
	1,335,000	P 218,000,000

All common shares carry one (1) vote per share and a right to dividends.

20.01.01 Common "A" Shares

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

	2023		2022	
	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.

20.01.02 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.

20.01.03 Common "C" Shares

Shown below are the details of common "C" shares in 2023 and 2022:

	2023		2022	
	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, January 1	500	P 250,000	500	P 250,000
Issuances	53,200	26,600,000	-	-
Balance, December 31	53,700	P 26,850,000	500	P 250,000

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

In December 31, 2023, 53,200 common "C" shares amounting to P26,600,000 were issued by the Company.

20.02 Preferred Shares

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

	2023		2022	
	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.

20.03 Additional Paid-in Capital

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.

The shares are broken down as follows:

Common "A" Shares (Not included in the Offer)	930,000 founder's shares	With par value of P50.00 per share
Common "C" Shares (To be offered and sold by way of Initial Public Offering)	250,000 common shares	With par value of P50.00, and equivalent to 3,125 blocks or 80 shares per block at an offer price of P270,000.00.
Preferred Shares (Not included in the Offer)	1,116,000 founder's shares	With par value of P100.00 per share
Total	2,296,000 shares	

Additional paid-in capital amounting to P152,950,000 as of December 31, 2023 pertains to amount invested by the Company's stockholders which exceeded the par value of its ordinary shares.

21. REVENUE – net

The Company's revenues are as follows:

	2023	2022	2021
Sale of medical services			
Laboratory	P 75,189,188	P 1,534,960	P -
Special service units	71,829,840	1,498,208	-
Central sterile supply department	47,668,569	735,867	-
Radiology	38,754,783	351,650	-
Room and board	30,466,074	-	-
Hemodialysis	24,042,857	-	-
Pulmonary	14,690,135	120,320	-
Nursing service charge	13,117,360	76,108	-
Cardiology	10,992,232	89,760	-
Dietary	8,593,719	182,245	-
Sonology	5,918,690	92,210	-
PT Rehab	3,385,141	7,757	-
EEG/EMG	406,150	-	-
Diabetes Center	293,440	1,310	-
Other hospital fees	8,811,254	167,425	-
	354,159,432	4,857,820	-
Sales discounts	(31,774,855)	(378,118)	-
	322,384,577	4,479,702	-
Sale of goods			
Pharmacy	88,796,212	1,747,494	-
	P 411,180,789	P 6,227,196	P -

Sales discounts pertain to discount given to senior citizens and persons with disabilities (PWDs).

Other hospital fees pertain to medical certificates, medical record fees and other billable fees.

22. DIRECT COSTS

The following is the composition of the Company's direct costs:

	2023	2022	2021
Cost of services (Note 22.01)	P 230,521,096	P 13,484,217	P -
Cost of goods sold (Note 22.02)	41,814,381	-	-
	P 272,335,477	P 13,484,217	P -

22.01 Cost of Services

	2023	2022	2021
Salaries and wages (Note 25) P	73,927,219 P	5,850,017 P	-
Central sterile supply department	43,599,253	4,794,474	-
Doctor's fee	28,500,162	-	-
Depreciation (Notes 10)	27,539,841	-	-
Laboratory	21,884,995	-	-
Reader's fee	14,428,678	-	-
Dietary	10,120,880	75,726	-
SSS, PhilHealth and HDMF premium (Note 25)	5,587,322	372,555	-
Hospital supplies (Note 8)	1,937,918	2,312,822	-
Radiology	1,311,645	-	-
Instrument fee	936,090	-	-
Pulmonary	747,093	-	-
Miscellaneous	-	78,623	-
P	230,521,096 P	13,484,217 P	-

Doctor's fee pertains to professional fees paid to doctors for medical services provided to the Company's patients.

22.02 Cost of Goods Sold

The Company's cost of goods sold pertains to medicines in the pharmacy sold to customers, as disclosed in Note 8. Details of the computation are as follows:

	2023	2022	2021
Inventories, January 1 P	- P	- P	-
Purchases	57,483,257	-	-
Cost of goods available for sale	57,483,257	-	-
Inventories, December 31 (Note 8)	(15,668,876)	-	-
P	41,814,381 P	- P	-

23. OTHER INCOME

Details of the Company's other income are as follows:

		2023		2022		2021
Rental (Note 28)	P	1,331,293	P	-	P	-
Finance income (Note 6)		237,488		12,204		71,526
Others		6,808,997		-		-
	P	8,377,778	P	12,204	P	71,526

Others pertain to sales from cafeteria and unused claims from PhilHealth.

24. OPERATING EXPENSES

The account is composed of the following expenses:

	2023	2022	2021
Management fee	P 32,858,050	P -	P -
Salaries and wages (Note 25)	27,178,233	13,382,556	72,000
Utilities	17,802,577	2,602,583	-
Transportation and travel	12,236,384	-	-
Depreciation (Notes 10 and 11)	6,481,968	-	-
Janitorial	5,545,284	-	-
Security	4,188,133	-	-
Office supplies	3,973,863	116,412	-
Bank charge	2,778,355	-	-
SSS, PhilHealth and HDMF premium (Note 25)	2,233,668	370,008	-
Repairs and maintenance	2,001,577	-	-
Taxes and licenses	1,277,947	2,859,500	1,701,290
Marketing	1,221,060	120,500	-
Trainings and seminars	841,053	-	-
Insurance	834,503	-	289,475
Representation	713,250	41,562	-
Professional fees	678,956	1,841,188	80,070
Housekeeping	663,221	-	-
Communication	626,844	-	-
Rentals	585,328	-	-
Amortization (Note 12)	223,214	-	-
Meals	258,525	-	-
Fuel and oil	241,428	-	-
Donations	221,745	-	-
Postage	111,337	-	-
Membership fee	69,357	-	-
Penalties	14,179	113,771	-
Website costs	-	-	95,223
Loan related fees	-	-	183,333
Miscellaneous	5,445,381	97,199	16,863
	P 131,305,420	P 21,545,279	P 2,438,254

Management fee pertain to expenses incurred by the Company with its key officers.

Utilities pertain to electricity and water expenses incurred by the Company.

Rentals pertain to the lease of various hospital equipment incurred by the Company.

Miscellaneous expense pertains to garbage and pest control expenses incurred by the Company

25. EMPLOYEE BENEFITS

25.01 Short-term Employee Benefits

Total short-term employee benefits include:

		2023		2022		2021
Direct Costs (Note 22)						
Salaries and wages	P	73,927,219	P	5,850,017	P	-
SSS, PhilHealth and HDMF premium		5,587,322		372,555		-
		79,514,541		6,222,572		-
Operating Expenses (Note 24)						
Salaries and wages		27,178,233		13,382,556		72,000
SSS, PhilHealth and HDMF premium		2,233,668		370,008		-
		29,411,901		13,752,564		72,000
	P	108,926,442	P	19,975,136	P	72,000

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2023, 2022 and 2021 are as follows:

		2023		2022		2021
Accounting loss	P	(12,183,170)	P	(33,292,189)	P	(2,366,728)
Tax benefit at 25%		(3,045,793)		(8,323,047)		(591,682)
Tax effects of:						
Unrecognized DTA from NOLCO		3,025,112		8,296,893		513,389
Unrecognized DTA from MCIT		2,204,784		-		-
Unrecognized DTA due to PFRS 16		37,333		-		-
Non-deductible donation		27,877		-		-
Non-deductible finance cost		14,843		763		-
Non-deductible expenses		-		28,443		96,175
Finance income subjected to final tax		(59,372)		(3,051)		(17,882)
	P	2,204,784	P	-	P	-

The Company's NOLCO in 2022 and 2023 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	P 33,187,571	P -	P -	P -	P 33,187,571	2025
2023	12,100,448	-	-	-	12,100,448	2026
	P 45,288,019	P -	P -	P -	P 45,288,019	

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

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

The Bureau of Internal Revenue (BIR) has recently issued Revenue Regulations (RR) No. 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 No. 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.

Details of MCIT are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2023	P 2,204,784	P -	P -	P -	P 2,204,784	2026

27. DEFERRED TAX ASSET

The components of the Company's unrecognized deferred tax assets and their respective movements are as follows:

		NOLCO	MCIT	Effect of PFRS 16	Total
Balance at January 1, 2022	P	2,055,033	P -	P -	P 2,055,033
Unrecognized in profit or loss		7,849,575	-	-	7,849,575
Balance at December 31, 2022		9,904,609	-	-	9,904,609
Unrecognized in profit or loss		3,025,112	2,204,784	37,333	5,267,229
Balance at December 31, 2023	P	12,929,721	P 2,204,784	P 37,333	P 15,171,838

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.

28. LEASE AGREEMENT

28.01 The Company as a Lessee

28.01.01 Lease Payments Recognized as Lease Liabilities

The Company's lease pertain to leases of parking space. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statements of financial position as right-of-use asset and lease liability. The Company presents its right-of-use asset as a separate line item on the statements of financial position.

28.01.01.01 Project 45 Ventures Corporation

The Company leased a parking space located at 278 Susano Road, Brgy. Camarin, Caloocan City. The monthly rental fee shall be P300,000. The leased asset has lease term of three (3) years starting January 1, 2023 up to December 31, 2025.

Security deposit amounted to P600,000 and nil as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, the carrying amount of right-of-use asset and lease liabilities amounted P6,722,254 and P8,403,411, respectively, as disclosed in Notes 11 and 17.

28.02 The Company as a Lessor

Operating leases relate to the office space located in the ground floor of the building owned by the Company, which are leased out to third parties, with lease terms of between one (1) to three (3) years starting January 1, 2023 up to December 31, 2025, with escalation rate of five percent (5%). The lease contract is renewable upon mutual agreement of both parties.

The rental income earned by the Company from its office space, all of which is leased out under operating leases, amounted to P1,331,293, nil and nil, in 2023, 2022 and 2021, respectively, as disclosed in Note 23.

29. LOSS PER SHARE

The Company's results of operation in 2023, 2022 and 2021 amounted to a loss of P14,387,954, P33,292,189 and P2,366,728. Accordingly, the Company's loss per share in December 31, 2023, 2022 and 2021 amounted to P14.63, P35.80 and P2.54, respectively.

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

	2023	2022	2021
Loss used in the calculation of total loss per share	P (14,387,954)	P (33,292,189)	P (2,366,728)
Weighted average number of ordinary shares for the purposes of loss per share	983,200	930,000	930,208

The weighted average number of ordinary shares for 2023, 2022 and 2021 used for the purposes of loss per share is computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
December 31, 2023				
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	53,200	12/12	53,200	53,200
December 31, 2022				
Outstanding shares at the beginning and end of the period	930,000	12/12	930,000	930,000
December 31, 2021				
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

The Company did not have any potential dilutive instruments as of December 31, 2023, 2022 and 2021.

30. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial asset and financial liabilities as of December 31, 2023 and 2022, respectively, are presented below:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash and cash equivalents	P 32,449,597	P 32,449,597	P 15,741,543	P 15,741,543
Trade and other receivables	59,011,162	59,011,162	481,112	481,112
Security deposit	600,000	600,000	-	-
	P 92,060,759	P 92,060,759	P 16,222,655	P 16,222,655
Financial Liabilities:				
Trade and other payables	P 143,124,409	P 143,124,409	P 20,543,815	P 20,543,815
Accrued finance cost	2,246,503	2,246,503	4,502,093	4,502,093
Advances from stockholders	36,965,345	36,965,345	189,285,630	189,285,630
Loans payable	398,200,000	398,200,000	399,200,000	399,200,000
Retention payable	46,322,357	46,322,357	46,322,357	46,322,357
Lease liability	8,403,411	8,403,411	-	-
	P 635,262,025	P 635,262,025	P 659,853,895	P 659,853,895

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

- Due to the short-term nature of cash in banks and cash equivalents, trade and other receivables, security deposit, trade and other payables (except due to government agencies), 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.
- The Company measures its lease liability at the present value of the lease payments unpaid at that date, discounted using market rate. Management believes that fair value approximates amortized cost.

31. 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.

31.01 Market Risk Management

31.01.01 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, 2023, 2022 and 2021 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.

31.02 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 and cash equivalents, trade and other receivables and security deposit.

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

➤ Cash in Banks and Cash Equivalents

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.

➤ Trade and Other Receivables

The Company transacts with numerous patients with different financial capacities. It is the Company's policy to perform appropriate initial medical treatment to all new patients in emergency or serious cases to comply with the existing law. Moreover, in situations other than emergency and serious cases, it is the Company's policy that patients shall undergo background investigation. The Company assesses the creditworthiness of each recurring patients before the Company's performance of services. The Company's performance of services shall be approved by the Management. The Company assesses the current and forecast information of the clients' industry and the macro-economic factors such as GDP, interest, and inflation to determine the possible impact to clients.

Financial assets measured at amortized cost are as follows:

	2023		2022	
Cash and cash equivalents	P	26,510,267	P	15,741,543
Trade and other receivables		59,011,162		481,112
Security deposit		600,000		-
	P	86,121,429	P	16,222,655

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 2023 and 2022:

	PD rate a	LGD rate b	EAD c	ECL d=a*b*c
December 31, 2023				
Cash in banks and cash equivalents	0.00%	0.00% to 82.42%	P 26,510,267 P	-
Trade and other receivables	0.00%	100.00%	59,011,162	-
Security deposit	0.00%	100.00%	600,000	-
			P 86,121,429 P	-
December 31, 2022				
Cash in banks and cash equivalents	0.00%	0.00% to 70.97%	P 15,741,543 P	-
Trade and other receivables	0.00%	100.00%	481,112	-
			P 16,222,655 P	-

Cash in Banks and Cash Equivalents

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 2023 and 2022.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 82.42% and 0.00% to 70.97% in 2023 and 2022, respectively.

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

Trade and Other Receivables

The Company determined the probability of default rate by considering the following: the schedules of trade and other receivables for the past five years; the past, current, and forecast performance of each client's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. The Company estimated the probability of default to be nil for its clients in both years.

Loss given default rate is 100.00% for all clients because the Company does not obtain collateral for these transactions.

Exposure at default is equal to the gross carrying amount of trade and other receivables.

Security Deposit

These financial assets represent 0.07% and nil of total financial assets in 2023 and 2022, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

31.03 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
December 31, 2023						
Trade and other payables	-	-	143,124,409	-	-	143,124,409
Advances from stockholders	-	36,965,345	-	-	-	36,965,345
Accrued finance cost	-	-	2,246,503	-	-	2,246,503
Loans payable	5.25% - 5.50%	-	53,000,000	154,000,000	191,200,000	398,200,000
Retention payable	-	-	46,322,357	-	-	46,322,357
Lease liability	5.38%	-	5,400,000	3,600,000	-	9,000,000
		P 36,965,345	P 250,093,269	P 157,600,000	P 191,200,000	P 635,858,614
December 31, 2022						
Trade and other payables	-	-	20,543,815	-	-	20,543,815
Advances from stockholders	-	189,285,630	-	-	-	189,285,630
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
		P 189,285,630	P 98,368,265	P 180,000,000	P 191,200,000	P 659,853,895

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		Within One (1) Year		One (1) – Five (5) Years		Total
December 31, 2023									
Cash on hand	-	P	5,939,330	P	-	P	-	P	5,939,330
Cash in banks and cash equivalents	floating rates		26,510,267		-		-		26,510,267
Trade and other receivables	-		-		59,011,162		-		58,684,575
Security deposit	-		-		-		600,000		600,000
		P	32,449,597	P	59,011,162	P	600,000	P	91,734,172
December 31, 2022									
Cash in banks	floating rates	P	15,741,543	P	-	P	-	P	15,741,543
Trade and other receivables	-		-		481,112		-		481,112
		P	15,741,543	P	481,112	P	-	P	16,222,655

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.

32. 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:

	2023		2022	
Debt	P	639,094,776	P	661,349,386
Cash		(32,449,597)		(15,741,543)
Net debt		606,645,179		645,607,843
Equity		171,447,410		6,285,364
Net debt to equity ratio		3.54:1		102.72:1

33. NON-CASH TRANSACTIONS

The Company entered into non-cash investing and financing activities which are not reflected in the statements of cash flows includes the following:

- In 2023, the company recognized right-of-use asset and lease liability amounting to P10,083,381.
- In 2022, finance cost capitalized as part of construction-in-progress amounted P15,956,025, as disclosed in Notes 10 and 16.
- Transfer from advances to contractors in 2023 and 2022 amounted to nil and P135,020,033, respectively, as disclosed in Note 10.
- Recoupment of advance payment bonds in 2023 and 2022 amounting to nil and P19,022,052, respectively, as disclosed in Note 10.

34. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

	2023		2022	
Balance, January 1	P	592,987,723	P	491,461,967
Changes from financing cash flows:				
Finance cost incurred		28,100,840		20,458,118
Recognition of lease liability		10,083,381		-
Advances received from stockholders		-		61,918,663
Proceeds from borrowings		-		39,200,000
Finance cost paid on lease liability		(120,030)		-
Payment of loans		(1,000,000)		-
Payment of lease liability		(1,679,970)		-
Finance cost paid on loans		(29,968,225)		(20,051,025)
Payments of advances from stockholders		(152,320,285)		-
Balance, December 31	P	446,083,434	P	592,987,723

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on April 4, 2024.

36. 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:

36.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2023 are as follows:

36.01.01 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. The Company has exempt sales amounting to P442,085,276.

36.01.02 Input VAT

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

Balance, January 1	P	50,727,801
Current year's domestic purchases/payments for:		
Goods for resale/manufacture or further processing		14,716,017
Applied against output VAT		(42,348)
Balance, December 31	P	65,401,470

36.01.03 Other Taxes and Licenses

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

Permits	P	509,210
Real property tax		473,314
Documentary stamp tax		266,000
Residence or community tax		2,281
Others		27,142
	P	1,277,947

36.01.04 Withholding Taxes

Withholding tax on compensation and benefits	P	13,667,277
Expanded withholding taxes		125,603
	P	13,792,880

37. 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:

37.01 Revenue

The analyses of the Company's revenues for the taxable year are as follows:

Sale of services	P	354,159,432
Sale of goods		88,796,212
		442,955,644
Sales discounts		(31,774,855)
	P	411,180,789

37.02 Direct Cost

The following is an analysis of the Company's cost of services for the taxable year:

Cost of services	P	230,521,096
Cost of goods sold		41,814,381
	P	272,335,477

37.02.01 Cost of Services

Salaries and wages	P	73,927,219
Central sterile supply department		43,599,253
Doctor's fee		28,500,162
Depreciation		27,539,841
Laboratory		21,884,995
Reader's fee		14,428,678
Dietary		10,120,880
SSS, PhilHealth and HDMF premium		5,587,322
Hospital supplies		1,937,918
Radiology		1,311,645
Instrument fee		936,090
Pulmonary		747,093
	P	230,521,096

37.02.02 Cost of Goods Sold

Inventories, January 1	P	-
Purchases		57,483,257
Cost of goods available for sale		57,483,257
Inventories, December 31		(15,668,876)
	P	41,814,381

37.03 Taxable Other Income

Details of the Company's taxable other income are as follows:

Rental	P	1,331,293
Others		6,808,997
	P	8,140,290

37.04 Itemized Deductions

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

Management fee	P	32,858,050
Finance cost on loans		27,653,263
Salaries and wages		27,178,233
Utilities		17,802,577
Transportation and travel		12,236,384
Janitorial		5,545,284
Security		4,188,133
Rentals		4,185,328
Office supplies		3,973,863
Depreciation		3,120,841
Bank charge		2,778,355
SSS, PhilHealth and HDMF premium		2,233,668
Repairs and maintenance		2,001,577
Taxes and licenses		1,277,947
Marketing		1,221,060
Trainings and seminars		841,053
Insurance		834,503
Representation		713,250
Professional fees		678,956
Housekeeping		663,221
Communication		626,844
Meals		258,525
Fuel and oil		241,428
Amortization		223,214
Postage		111,337
Donations		110,239
Membership fee		69,357
Penalties		14,179
Miscellaneous		5,445,381
	P	159,086,050

37.05 Reconciliation on Effect of PFRS 16

		Per PFRS	Effect of Adoption of PFRS 16	Per Tax Code
Depreciation expense from:				
<i>Property and equipment</i>	P	30,660,682	P 30,660,682	P 30,660,682
<i>Right-of-use assets</i>		3,361,127	(3,361,127)	-
Finance cost from				
<i>Lease liabilities</i>		388,205	(388,205)	-
Rental paid		3,600,000	3,600,000	3,600,000

37.06 Reconciliation of Limit on Finance Cost Deductibility

		Deductible amount per PFRS	Unallowed deductible per BIR limit	Deductible amount per ITR
Finance cost	P	27,712,635	P (59,372)	P 27,653,263

**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.** for the years ended December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 on which we have rendered the attached report dated April 4, 2024.

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
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
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. 10081201
Issued on January 9, 2024 at Makati City

April 4, 2024

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 April 4, 2024 on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** as of and for the year ended December 31, 2023. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** taken as a whole. The information in the supplementary schedules as of and for the year ended December 31, 2023 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.** 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
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2023
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April 4, 2024

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, 2023

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OPTIMUM QUALITY HEALTH VENTURES, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2023

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)	51,624,636.00
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	_____
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	
Retained Earnings appropriated during the reporting period	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	_____
Unappropriated Retained Earnings, as adjusted	51,624,636.00
Add/Less: Net Income (Loss) for the current year	14,387,954.00
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Unrealized fair value gain of investment property	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	_____
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Realized fair value gain of investment property	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	_____
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Reversal of previously recorded fair value gain of Investment Property	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	
Sub-total	_____
Adjusted Net Income/Loss	66,012,590.00
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	
Sub-total	_____

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)

Amortization of the effect of reporting relief
Total amount of reporting relief granted during the year
Others (describe nature)
Sub-total

_____ -

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)
Net movement of deferred tax asset not considered in the reconciling items under the previous categories
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable
Adjustment due to deviation from PFRS/GAAP - gain (loss)
Others (describe nature)
Sub-total

_____ -

Total Retained Earnings, end of the reporting period available for dividend **66,012,590.00**

FOOTNOTES

- (1) *The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.*
- (2) *Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.*
- (3) *Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.*
- (4) *This Reconciliation of Retained Earnings Available for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations.*

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN HOSPITAL)
Schedule A – Financial Assets
DECEMBER 31, 2023

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Income accrued
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, 2023

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, 2023

Related Parties	Balance at beginning of period	Amount/ Volume	Amounts Collected	Outstanding Balances
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, 2023

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	-	(223,214.00)	-	-	892,857

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
 Schedule E - Long-Term Debt
 DECEMBER 31, 2023

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	53,000,000.00	345,200,000.00	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 Statement of Financial Position)
 DECEMBER 31, 2023

Name of Related Parties	Balance at beginning of period	Balance at end of period
Member of Key Management Personnel	189,285,630	36,965,345

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, 2023

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, 2023

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	46,500,000	--	360,000	570,000	--
Common B - P300 par value	155,000	46,500,000	--	--	--	--
Common C - P500 par value	250,000	26,850,000	--	--	53,700	--
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, 2023 and 2022

A. SHORT-TERM LIQUIDITY RATIO			
CURRENT RATIO		0.68	0.23
Current Assets		197,479,957	66,950,456
Current Liabilities		288,835,618	289,149,386
WORKING CAPITAL TO ASSETS		(0.11)	(0.33)
(Current Assets - Current Liabilities)		(91,355,661)	(222,198,930)
Total Assets		810,542,186	667,634,750
B. LONG-TERM SOLVENCY			
Total Asset		810,542,186	667,634,750
Stockholders' Equity		171,447,410	6,285,364
DEBT TO EQUITY		3.73	105.22
Total Liabilities		639,094,776	661,349,386
Stockholders' Equity		171,447,410	6,285,364
LONG-TERM DEBT TO EQUITY		2.32	63.51
Long-Term Debt		398,200,000	399,200,000
Stockholders' Equity		171,447,410	6,285,364
FIXED ASSETS TO EQUITY		3.53	95.39
(Fixed Assets - Accumulated Depreciation)		604,847,118	599,568,223
Stockholders' Equity		171,447,410	6,285,364
CREDITORS EQUITY TO TOTAL ASSETS		0.79	0.99
Total Liabilities		639,094,776	661,349,386
Total Assets		810,542,186	667,634,750
FIXED ASSETS TO LONG-TERM DEBT		1.52	1.50
(Fixed Assets - Accumulated Depreciation)		604,847,118	599,568,223
Long-Term Debt		398,200,000	399,200,000

C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	(0.01)	(0.06)
<u>Net Loss</u>	<u>(14,387,954)</u>	<u>(33,292,189)</u>
Average Total Assets	1,144,359,561	586,115,938
RATE OF RETURN ON EQUITY		
	(0.16)	(1.45)
<u>Net Loss</u>	<u>(14,387,954)</u>	<u>(33,292,189)</u>
Average Stockholders' Equity	88,866,387	22,931,459
D. PROFITABILITY RATIOS		
GROSS PROFIT RATIO	0.34	(1.17)
<u>Gross Income (Loss)</u>	<u>138,845,312</u>	<u>(7,257,021)</u>
Revenue	411,180,789	6,227,196
OPERATING INCOME TO REVENUES		
	1.00	1.00
<u>Income from Operations</u>	<u>411,180,789</u>	<u>6,227,196</u>
Revenue	411,180,789	6,227,196
PRETAX LOSS TO REVENUES		
	(0.03)	(5.35)
<u>Net Loss before tax</u>	<u>(12,183,170)</u>	<u>(33,292,189)</u>
Revenue	411,180,789	6,227,196
NET INCOME TO COMMISSION INCOME		
	(0.03)	(5.35)
<u>Net Loss before tax</u>	<u>(14,387,954)</u>	<u>(33,292,189)</u>
Revenue	411,180,789	6,227,196
E. INTEREST COVERAGE RATIO		
INTEREST COVERAGE RATIO	0.57	6.39
<u>Earnings Before Interest and Tax</u>	<u>15,917,670</u>	<u>28,790,096</u>
Interest Expense	28,100,840	4,502,093