OPTIMUM QUALITY HEALTH VENTURES, INC

Doing business under the name and style of Camarin Doctors Hospital

2024

ANNUAL REPORT

COVER SHEET

SEC Registration Number

C	S	2	0	1	7	3	8	9	1	9

Company Name

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

Principal Office (No./Street/Barangay/City/Town/Province)

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
SEC 17A	MSRD	

Company's Email Address	Company's Telephone Number/s	Mobile Number
oqhviofficial2024@camarindoctorshospital.ph	(02)8260-5952	(63)9177040822

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
719	2nd SUNDAY OF MAY	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ricardo O. Javison		02-82605952	

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.

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, 2024**

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) 917-704-0822 .**
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 B	**155,000**
Common Shares C	**55,140**

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 1,140,140 voting shares held by non-affiliates of the Company as of December 31, 2024, is Php120,570,000.00

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 [ ] [X] **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. **NONE**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business of Issuer

On 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. The hospital started its operation in December 2022.

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, 2024.

Name of Supplier	Nature of Product Supplied
Ajanta Pharma Philippines Inc., Bell-Kenz Pharma, Inc., Britton Distribution Inc., The Cathay Drug Co., Inc., Corbridge Group Philippines, Inc., Clearvue Pharmaceuticals, Dynasty Pharmaceuticals Inc., Endure Medical, Inc., Elin Pharmaceuticals Inc. Euro-Med Laboratories Phil., Inc., Getz Bros Philippines, Inc., GTTG Pharmacy, Innogen Pharmaceuticals Inc., Jackson Pharmaceuticals Inc., JustRight Healthcare, Inc., Kauffman Pharma Inc., Labmate Pharma Inc., Macropharma Corporation, MedEthix Incorporated, MedMart Inc., MG Prime Pharmaceutical Inc., MS Pharmport Distributors Inc., Natrapharm Inc., OPTI Pharma Inc., Oxford Distributions Inc., Patriot Pharmaceuticals Corporation, Pediatrica Inc., Pharmaspec Inc., Pheonix Pharmaceuticals Inc., PKDF Marketing Corporation, Riamedica Pharmaceutical Distributor, Psahm Medpharma Trading, Sandoz Philippines, Sannovex Pharmaceuticals, Sanofi, Solvang Pharmaceuticals Inc., Sotera Pharma Inc., SUN Pharma Phils. Inc., Unilab, United Pharma Plus Inc., Zuellig Pharma, Zydus Healthcare Philippines Inc., Zyre Pharmaceuticals Corporation	Medicines
Excelife Med Trading	Laboratory Equipment and Consumables
Caloocan Gas Corp., ACTIMED Healthcare Technologies Inc., D&R Micromed Supply Incorporated, E. Mendez Medical Supply Inc., East Lane Corporation, Ginrey Trading Corporation, Helande Kidney Care Inc., HLMP Medical Enterprise, ICare Life Medical Devices Inc, IDS Medical System Philippines Inc, Janissa Healthcare Philippines, Lifelink, Inc., Maracare Medical Devices, Inc., Medasia Medical Products Corporation, MediFaith Medical Enterprises Inc, Medimarc Trading, Mediwide Philippines Incorporated, Medlane Pharma Inc, ORI-Phil Industries Co. Progressive Medical Corporation, Project 45 Ventures Corporation, RMG Hospital Supply Inc., Sankem Healthcare Inc, South East Star Enterprise, Skeletal Support Inc. SMS Philippines Healthcare Solutions Inc, Surgicare Medical Systems Enterprises, Surgikleen Incorporated, Turumba Medical Equipment and Supplies Trading, UP Manila-IHG, Wexham Medical Resources Inc,	Medical Supplies
BTL Medical Technologies, CGD Medical Depot Inc., Helande Kidney Care Inc., NPK Medical Trading Inc., Open Port Medical and Trading Corp., Puremed International Incorporated, 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, 2024, 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, 2024, 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	119	16	135
Ancillary Services	119	11	130
Nursing Services	186	15	201
TOTAL	**424**	**42**	**466**

The total expenditures for the payment of salaries and wages for 2024 amounted to Php185,778,412.

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 2024 made a total amount of purchases of P39,457,287.

Out of the P39,457,287 equipment purchases, the acquisition of medical equipment, tools and instruments consist of the bulk of purchases for 2024 with a purchase amount of P35,370,110.

Purchases spent for building improvement is only P698,800 or 1.77% 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 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, 2024, show that Optimum Quality Health Ventures, Inc. has 719 stockholders. The following is the list of stockholders as of December 31, 2024:

	STOCKHOLDERS	NO. OF SHARES		%
1	Ricardo O. Javison	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
2	Larry G. Lianko	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
3	Jonathan L. Latonio	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
4	Maritoni C. Abbariao	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
5	Mario M. Domingo	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
6	Monet Estelita E. Dulay	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
7	Willie L. Go	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
8	Bryan M. Haberia	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
9	Djhoana Jet E. Siao	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
10	Carl Ryan Marino D. Taguba	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	

11	Visitacion V. Toy	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
12	Leah Jeanette C. Bayan	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
13	Catherine P. Cabalic	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
14	Winston P. Abesamis	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
15	Richard Q. Arellano	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
16	Arwin G. David	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
17	Sharon Michelle P. Bentero	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
18	Grace M. Fabon	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
19	Jehiel L. Fabon	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
20	Eli A. Florendo	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
21	Brenda B. Gianan	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
22	Maria Cristina S. Javison	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
23	Yvette Muviel B. Latonio	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%
24	Chona T. Lianko	Preferred Common A Common B TOTAL	36,000 30,000 5,000 71,000	3.1571%

25	Ronald F. Licup	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
26	Arnel F. Lim	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
27	Hermie F. Maglaya-Ang	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
28	Mayshara M. Montojo	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
29	Virginia P. Go	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
30	Christopher D. Taguba	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
31	Katrina Louise M. Taguba	Preferred	36,000	3.1571%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
32	Others	Common C	55,140	2.4440%

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 P229,160,000.00. This is divided into 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, 2024, and 2023

Optimum Quality Health Ventures, Inc.'s total assets at year-end 2024 and 2023 ended at Php907,534,033 and Php810,542,186 respectively. Total liabilities decreased to Php636,575,959 as of year-end 2024 from Php639,094,776 in year-end 2023. The stockholders' equity significantly increased to Php270,958,074 in year-end 2024 compared to the previous year of Php171,447,410 mainly due to subscription of Common B shares and a net profit of Php50,315,664.

Total current assets increased to Php288,020,682 as of year-end 2024, as against Php197,479,957 in 2023.

Total non-current assets, which accounted for about 68.26% of the total assets in 2024 and 75.64% in 2023 amounted to Php619,513,351 and Php613,062,229 respectively. Cost of the hospital building and investment in medical equipment comprised bulk of the non-current assets.

Total current liabilities decreased to Php281,525,759 in 2024 from Php288,835,618 in 2023. The decrease of Php7,309,859 becomes minimal despite the completion of payment of retention payables and the advances from stockholders mainly because of the increase of the trade and other payables amounting to Php225,186,271 and accrued finance cost of Php8,389,122.

Total non-current liabilities which consisted of loans payable to DBP stood at Php355,050,000. In addition, recognition of the non-current portion of the Lease Liability was recognized in the amount of Php4,952,015.

Statement of Comprehensive Income

Comparing 2024 and 2023

Revenue from operations for the year 2024 amounted to Php739,204,496 as compared to 2023 of Php411,180,789 or an increase of Php328,023,707 due to the full operation of the hospital in 2024.

Presented below is the breakdown of revenue generated for the year 2024 and 2023.

		2024		2023
Sale of medical services				
Special Service Units		**148,791,463**		71,829,840
Laboratory		**138,653,922**		75,189,188
Radiology		**74,324,174**		38,754,783
Central Sterile Supply		**72,259,614**		47,668,569
Hemodialysis		**63,325,042**		24,042,857
Room and Board		**44,293,845**		30,466,074
Pulmonary		**30,004,342**		14,690,135
Nursing Service Charge		**28,445,811**		13,117,360
Cardiology		**23,697,014**		10,992,232
Sonology		**8,997,181**		5,918,690
PT Rehab		**7,181,563**		3,385,141
EEG/EMG		**3,073,055**		406,150
Dietary		**1,723,989**		8,593,719
Diabetes Center		**1,281,122**		293,440
Other Hospital Fees		**13,384,223**		8,811,254
		659,436,360		354,159,432
Sales Discounts		**(71,098,888)**		(31,774,855)
		588,337,472		322,384,577
Sale of goods				
Pharmacy		**150,867,024**		88,796,212
	Php	**739,204,496**	Php	411,180,789

Direct Cost in 2024 amounted to Php451,172,255 as compared to 2023 of Php272,335,477 or an increase of Php178,836,778. Breakdown of Direct Costs for year 2024 and 2023 are presented below.

	2024	2023
Cost of Services		
Salaries and Wages	**87,601,408**	73,927,219
Central Sterile Supply Dept.	**62,747,379**	43,599,253
Doctor's Fees	**48,957,916**	28,500,162
Depreciation	**30,693,693**	27,539,841
Laboratory	**29,512,328**	21,884,995
Reader's Fees	**27,152,132**	14,428,678
Dietary	**14,152,744**	10,120,880
Hemodialysis	**10,884,340**	-
SSS, Philhealth and HDMF	**8,852,887**	5,587,322
Hospital Supplies	**2,787,386**	1,937,918
Radiology	**2,247,865**	1,311,645
Pulmonary	**1,415,772**	747,093
Instrument Fees	**920,900**	936,090
Neurosleep	**347,626**	-
Total Cost of Services	**328,274,376**	230,521,096

Cost of Goods Sold				
Beginning Inventory		**15,668,876**		-
Purchases		**132,320,401**		57,483,257
Cost of goods available for sale		**147,989,277**		57,483,257
Less: Ending Inventory		**(25,091,398)**		(15,668,876)
Total Cost of Goods Sold		**122,897,879**		41,814,381
Cost of Services		**328,274,376**		230,521,096
Cost of Goods Sold		**122,897,879**		41,814,381
TOTAL DIRECT COST	**Php**	**451,172,255**	Php	272,335,477

Operating Expenses for 2024 stood at Php214,669,657 and in 2023 at Php131,305,420 or an increase in the amount of Php83,364,237. Breakdown of 2024 and 2023 Operating Expenses are as follows:

		2024		**2023**
Salaries and Wages		98,177,0043		60,036,283
Transportation and travel		27,549,125		12,236,384
Utilities		17,609,692		17,802,577
Depreciation		11,749,151		6,481,968
Repairs and Maintenance		7,790,098		2,001,577
Janitorial		6,169,904		5,545,284
Security		5,689,435		4,188,133
Bank Charge		4,055,189		2,778,355
Office Supplies		3,838,786		3,973,863
Training and Seminars		3,502,813		841,053
SSS, Philhealth and HDMF		3,229,969		2,233,668
Taxes and Licenses		2,761,095		1,277,947
Representation		1,930,910		713,250
Communication		1,659,205		626,844
Rentals		1,592,798		585,328
Provision-Expected Credit Loss		1,582,497		-
Marketing		1,536,338		1,221,060
Professional Fees		1,534,576		678,956
Insurance		873,809		834,503
Meeting Allowance		353,500		-
Fuel and Oil		255,500		241,428
Membership Fee		228,221		69,357
Amortization		223,214		223,214
Meals		171,975		258,525
Housekeeping		158,164		663,221
Donations		130,000		221,745
Postage		78,125		111,337
Penalties		-		14,179
Miscellaneous		10,238,564		5,445,381
TOTAL OPERATING EXPENSE	**Php**	**214,669,657**	**Php**	**131,305,420**

The comprehensive income of Optimum Quality Health Ventures, Inc. resulted also in the increase in Other Income of Php4,993,265 from Php8,377,778 to Php13,371,043 which is attributable to rental income received from lease of office space located on the ground floor and sales from canteen.

Key Performance Indicators

	2024	2023
Current Ratio	1.02	0.68
Acid Test Ratio	0.76	0.32
Solvency Ratio	0.15	0.03
Debt to Equity Ratio	2.35	3.73
Asset to Equity Ratio	3.35	4.73
Return to Equity	0.14	-0.16
Return to Assets	0.04	-0.01
Net Profit Margin	0.07	-0.03
Gross Profit Margin	0.39	0.34
Book Value Per Share	52.63	-14.63

Hospital Census

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

	Year 2024	Year 2023
Average Daily Inpatients	82	55
Average Daily Outpatients	400	250

HMO Accreditation

At present, there are 27 accredited Health Maintenance Organizations (HMOs) in operation. The list of HMOs are as follows:

1. Etiqa	10. Getwell Health	19. Pacific Cross
2. Kaiser	11. 1CoopHealth	20. Medasia
3. Valuecare	12. Philcare	21. Medicard
4. Intellicare	13. Forticare	22. Maxicare
5. Avega	14. Medocare	23. InLife
6. Lacson & Lacson	15. Sunlife Grepa	24. Carewell
7. Amaphil	16. Cocolife	25. Generali Philippines
8. Flexicare	17. IMS WealthCare	26. Fortune Life
9. Eastwest	18. HMI	27. HPPI

Item 7. Financial Statements

Attached hereto is the audited financial statement of Optimum Quality Health Ventures, Inc. for the fiscal year ending December 31, 2024.

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 2024, RSBA invoiced Optimum Quality Health Ventures, Inc. for a total fee of Php386,400 which includes VAT and out-of-pocket expenditures. Similarly, in 2023, the fee invoiced by RSBA amounted to Php257,600 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 2024-2025. 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, 52, was first elected to the Board and appointed as the President and CEO of Optimum Quality Health Ventures, Inc. on 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, 54, was first elected as Director and appointed as the Chairman of the Board of Directors of Optimum Quality Health Ventures, Inc. on 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, 60, 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, 54, 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 committee including Marketing, Human Resources, Grievance & Complaints, and Infection & Prevention Control committee.

Dr. Mario M. Domingo, Filipino, 46, 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, 48, 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, 66, was first elected as board of director of Optimum Quality Health Ventures, Inc. on 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, 51, 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, ORMAT, 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, 52, 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 Human Resources, Business & Finance, and Canvass & Pricing.

Dr. Carl Ryan Marino D. Taguba, Filipino, 47, 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. He is part of several hospital committees including Business & Finance, ORMAT, Pharmaceutical & Therapeutics, Anti-Microbial Stewardship, and Credentialing & Privileging Committee.

Dr. Visitacion V. Toy, Filipino, 61, 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, 27, 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 head of the Nomination & Election Committee.

Dr. Marygrace T. Garcia, Filipino, 45, 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, and Chairman of the Compensation & Remuneration Committee.

Dr. Christopher Z. Nitafan, Filipino, 51, 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, 47, 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, Nomination & Election Committee, and Compensation & Remuneration Committee.

Corporate Secretary

Dr. Leah Jeanette C. Bayan, Filipino, 51, 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

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

Name and Principal Position	2023			2024		
	Salary	Other Annual Compensation	Total Annual Compensation	Salary	Other Annual Compensation	Total Annual Compensation
Ricardo O. Javison, MD President (2017-present)	600,000.00	981,640.76	1,581,640.76	2,000,000.00	1,161,760.24	3,161,760.24
Larry G. Lianko, MD Chairman (2017-present)	600,000.00	1,085,562.20	1,685,562.20	2,000,000.00	1,081,760.28	3,081,760.28
Jonathan L. Latonio, MD Corporate Treasurer (2017-present)	540,000.00	688,023.82	1,228,023.82	1,275,000.00	1,058,712.60	2,333,712.60
Leah Jeanette C. Bayan, MD Corporate Secretary (2021-present)	480,000.00	431,572.90	911,572.90	1,250,000.00	450,688.32	1,700,688.32
All other officers and directors as a group (unnamed)	3,685,000.00	4,721,860.57	8,406,860.57	5,105,000.00	5,284,848.48	10,389,848.48
Total	**5,905,000.00**	**7,908,660.25**	**13,813,660.25**	**11,630,000.00**	**9,037,769.92**	**20,667,769.92**

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	
	CorporateTreasurer	
	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, 2024, is 1,140,140 shares, breakdown of which are as follows: Common Share A 930,000 shares, Common Shares B 155,000, and Common Share C – 55,140 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, 2024.

Security Ownership of Management and Directors

The following table shows the security ownership of management and directors as of December 31, 2024.

Name of Beneficial Owner	Amount of Beneficial Ownership (Php)	Nature of Beneficial Ownership	Citizenship	Type of Shares	Number of Shares	Percent
Ricardo O. Javison President	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Larry G. Lianko Chairman	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Jonathan L. Latonio Corporate Treasurer	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Maritoni C.Abbariao Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Mario M. Domingo Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Monet Estelita E. Dulay Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	

Willie L. Go Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Bryan M. Haberia Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Djhoana Jet E. Siao Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Carl Ryan Marino D. Taguba Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Visitacion V. Toy Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Leah Jeanette C. Bayan Corporate Secretary	3,360,000	Direct	Filipino	Preferred	36,000	3.1571%
				Common A	30,000	
				Common B	5,000	
Athena R. David Independent Director	50,000	Direct	Filipino	Common C	100	0.0044%
Marygrace T. Garcia Independent Director	50,000	Direct	Filipino	Common C	100	0.0044%
Christopher Z. Nitafan Independent Director	50,000	Direct	Filipino	Common C	100	0.0044%
Leilanie M. Sacdal Independent Director	50,000	Direct	Filipino	Common C	100	0.0044%

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 2024 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 2024 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, 2024

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

SUBSCRIBED AND SWORN to before me this APR 07 2025 **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

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Page No. 79
Book No. 205
Series of 2025

ATTY. SEVERINA S. AGUILAR-ACUÑA
Notary Public
for and within the Jurisdiction of Caloocan City, Metro Manila
Notarial Commission No. C-532 until Dec. 31, 2026
PTR No. 2421928 / January 15, 2025 / Caloocan City, MM
Atttorney's roll No. 30232
Lifetime IBP No. 776295 / January 27, 2009 / CALMANA CHAPTER
MCLE Compliance No. VII-0019670 Valid until April 14, 2025 / Pasig City
No. 15 Zone, Brgy. 172, Zamora Compound, Gate 1, Camarian , Caloocan City

Camarin Doctors Hospital

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business under the Name and Style of Camarin Doctors Hospital)
No. 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, 2024, 2023 and 2022, and for each of the three years in the period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, 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 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 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 report 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 25 day of March 2025.

APR 0 7 2025

SUBSCRIBED AND SWORN, before me this ____ day of _____ 2025 affiants exhibiting to me their respective Professional Regulation Commission (PRC) ID, as follows:

Name	PRC	Date Issue	Place Issue
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. 249;
Page No. 51;
Book No. 205;
Series of 2025

ATTY. SEVERINA S. AGUILAR-ACUÑA
Notary Public
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No. 15 Zone, Brgy. 172, Zamora Compound, Gate 1, Camarian, Caloocan City

PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
18/F Cityland Condominium 10
Tower 1, 156 H.V. dela Costa St.,
Ayala North, Makati City,
Philippines 1226

+632 8812-1718 to 22
info@pkfrsbernaldo.com
www.pkfrsbernaldo.com

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, 1421

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 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 Regulation Nos. 15-2010, 19-2011, and 34-2020 in Note 34 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 November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B 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 Accreditation No. 0300-IC
Valid until 2026 audit period

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Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Accreditation No. 102934-IC
Valid until 2024 audit period
PTR No. 10481164
Issued on January 15, 2025 at Makati City

March 25, 2025

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023
(In Philippine Peso)

	NOTES	2024	2023
A S S E T S			
Current Assets			
Cash and cash equivalents	6	**71,128,693**	32,449,597
Trade and other receivables – net	7	**143,017,502**	59,011,162
Inventories	8	**56,768,845**	29,023,403
Other current assets	9	**17,105,642**	76,995,795
		288,020,682	197,479,957
Non-current Assets			
Property and equipment – net	10	**605,222,688**	604,847,118
Right-of-use asset – net	11	**3,361,127**	6,722,254
Intangible asset – net	12	**669,643**	892,857
Security deposit	26	**614,843**	600,000
Deferred tax assets	25	**9,645,050**	-
		619,513,351	613,062,229
TOTAL ASSETS		**907,534,033**	810,542,186
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	13	**225,186,071**	146,957,160
Accrued finance cost	14	**8,389,122**	2,246,503
Advances from stockholders	17	**11,848,551**	36,965,345
Loans payable	14	**31,150,000**	53,000,000
Retention payable	16	-	46,322,357
Lease liability	15	**4,952,015**	3,344,253
		281,525,759	288,835,618
Non-current Liabilities			
Loans payable – net of current portion	14	**355,050,000**	345,200,000
Lease liability – net of current portion	15	-	5,059,158
		355,050,000	350,259,158
TOTAL LIABILITIES		**636,575,759**	639,094,776
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	18	**129,565,200**	84,510,000
Additional Paid-in Capital	18	**157,090,000**	152,950,000
Deficits		**(15,696,926)**	(66,012,590)
TOTAL STOCKHOLDERS' EQUITY		**270,958,274**	171,447,410
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**907,534,033**	810,542,186

(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, 2024, 2023 and 2022
(In Philippine Peso)

	NOTES	**2024**	2023	2022
REVENUES – net	19	**739,204,496**	411,180,789	6,227,196
DIRECT COSTS	20	**451,172,255**	272,335,477	13,484,217
GROSS PROFIT (LOSS)		**288,032,241**	138,845,312	(7,257,021)
OTHER INCOME	21	**13,371,043**	8,377,778	12,204
		301,403,284	147,223,090	(7,244,817)
OPERATING EXPENSES	22	**214,669,657**	131,305,420	21,545,279
FINANCE COSTS	14,15	**40,048,839**	28,100,840	4,502,093
PROFIT (LOSS) BEFORE TAX		**46,684,788**	(12,183,170)	(33,292,189)
INCOME TAX EXPENSE (BENEFIT)	24	**(3,630,876)**	2,204,784	-
PROFIT (LOSS)		**50,315,664**	(14,387,954)	(33,292,189)
BASIC AND DILUTIVE EARNINGS (LOSS) PER SHARE	27	**52.63**	(14.63)	(35.80)

(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, 2024, 2023 and 2022

(In Philippine Peso)

	Note	**Capital Stock**	**Additional Paid-in Capital**	**Deficits**	**Total**
Balance at January 1, 2022		57,910,000	-	(18,332,447)	**39,577,553**
Loss				(33,292,189)	**(33,292,189)**
Balance at December 31, 2022		**57,910,000**	**-**	**(51,624,636)**	**6,285,364**
Issuance of common shares	18	26,600,000			**26,600,000**
Additional paid-in capital	18		152,950,000		**152,950,000**
Loss				(14,387,954)	**(14,387,954)**
Balance at December 31, 2023	18	**84,510,000**	**152,950,000**	**(66,012,590)**	**171,447,410**
Issuance of common shares	18	45,055,200			**45,055,200**
Additional paid-in capital	18		4,140,000		**4,140,000**
Profit				50,315,664	**50,315,664**
Balance at December 31, 2024	18	**129,565,200**	**157,090,000**	**(15,696,926)**	**270,958,274**

(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, 2024, 2023 and 2022
(In Philippine Peso)

	NOTES	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**46,684,788**	(12,183,170)	(33,292,189)
Adjustments for:				
Depreciation	10,11,20,22	**42,442,844**	34,021,809	-
Finance cost	14,15	**40,048,839**	28,100,840	4,502,093
Amortization	12,22	**223,214**	223,214	-
Finance income	6,21	**(694,584)**	(237,488)	(12,204)
Operating cash flows before changes in working capital		**128,705,101**	49,925,205	(28,802,300)
Decrease (increase) in operating assets:				
Trade and othe receivables		**(84,006,340)**	(58,530,050)	(481,112)
Inventories		**(27,745,442)**	(29,023,403)	-
Other current assets		**53,875,979**	(28,472,778)	(16,592,985)
Security deposit		**(14,843)**	(600,000)	-
Increase (decrease) in operating liabilities:				
Trade and other payables		**78,369,683**	124,649,679	20,371,900
Retention payable	16	**(46,322,357)**	-	-
Net cash from (used in) operating activities		**102,861,781**	57,948,653	(25,504,497)
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,21	**694,584**	237,488	12,204
Payments of advances to contractors	9	**-**	-	(55,524,350)
Additions to property and equipment	10	**(39,457,287)**	(35,939,577)	(65,818,942)
Net cash used in investing activities		**(38,762,703)**	(35,702,089)	(121,331,088)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances received from stockholders	17	**19,218,406**	-	61,918,663
Proceeds from issuance of shares	18	**4,860,000**	179,550,000	-
Proceeds from loans	14	**-**	-	39,200,000
Repayments of advances from stockholders	17	**-**	(152,320,285)	-
Payment of finance cost on lease liability	15	**(396,519)**	(120,030)	-
Payment of lease liability	15	**(3,451,396)**	(1,679,970)	-
Payments on loans	14	**(12,000,000)**	(1,000,000)	-
Payments of finance cost on loans	14	**(33,650,473)**	(29,968,225)	-
Net cash from (used in) financing activities		**(25,419,982)**	(5,538,510)	101,118,663
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**38,679,096**	16,708,054	(45,716,922)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**32,449,597**	15,741,543	61,458,465
CASH AND CASH EQUIVALENTS AT END OF YEAR		**71,128,693**	32,449,597	15,741,543

(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, 2024 and 2023 and for each of the
Three Years in the Period ended December 31, 2024

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.

No reportable segment information is presented as the Company's operations are adequately presented in the statements of comprehensive income.

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 Market and Securities Registration Department (MSRD) Order No. 93 series of 2022.

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

The Company's registered office address is located at #1 Camarin Road, Brgy. 172, Camarin, Caloocan City, 1421.

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 also 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 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.

- 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.

- 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.

- 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.

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)

- 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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. 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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- 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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

  The amendments cover the following areas:

  - Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
  - Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
  - Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

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

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments cover the following areas:

  - Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.

  - Classification of financial assets:

    - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.

    - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

    - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.

  - There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

  An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

  The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

  - PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments*.

- PFRS 7, *Financial Instruments: Disclosures*
  - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 *Fair Value Measurement* was issued.
  - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13, was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
  - Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9, *Financial Instruments*
  - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
  - Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10, *Consolidated Financial Statements, Determination of a 'de facto agent'* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

  While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- ➢ Improved comparability in the statement of profit or loss (income statement);
- ➢ Enhanced transparency of management-defined performance measures; and
- ➢ More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

  PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

  An entity may elect to apply the PFRS 19 if at the end of reporting period:

  - ➢ It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements;*
  - ➢ It does not have public accountability; and
  - ➢ It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS accounting standards.

  An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

  PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

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 (₱), the currency of the primary economic environment in which the Company operates (the "functional currency").

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

3.03 Current and Non-current Presentation

The Company classifies an asset as current when:

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

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

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

The Company classifies all other liabilities as non-current.

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

4. 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, cash equivalents, 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.

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 in determining whether the credit risk on a financial asset has increased significantly since initial recognition 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.

The Company did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not 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.

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 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.

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.

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.

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 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.

4.03 Other Current Assets

4.03.01 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.

4.03.02 Excess Tax Credits

Excess tax credits are recognized at the amount withheld at source upon payment, and can be carried forward and claimed as tax credit against income tax due.

4.03.03 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.

For tax-exempt sales, input VAT is recognized in profit or loss in the period in which they are incurred.

4.04 Property and Equipment

Property and equipment 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 depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation is computed on the straight line method based on the estimated useful life of the assets below:

Hospital building	10-20 years
Hospital equipment	7 years
Transportation equipment	5 years
Furniture and fixtures	2 years
Office equipment	2 years
Janitorial equipment	2 years

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 hospital information system 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, deferred tax assets 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 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 or 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 contributions.

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.

4.12 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.

The Company has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing an ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

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 Liability

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 liability by:

- Increasing the carrying amount to reflect interest on the lease liability;
- 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 liability as an adjustment to the ROU 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 liability 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 the 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, 2024 and 2023, the carrying amounts of the Company's financial asset measured at amortized cost amounted to ₱213,147,451 and ₱86,121,429, respectively, as disclosed in Note 29.02.

5.01.02 Assessment of Timing of Satisfaction of Performance Obligations

The Company 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 pharmaceutical supplies and medicines. 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 2024, 2023 and 2022, revenue from sale of service amounted to ₱659,436,360, ₱354,159,432 and ₱4,857,820, respectively, as disclosed in Note 19.

In 2024, 2023 and 2022, revenue from sale of goods amounted to ₱150,867,024, ₱88,796,212 and ₱1,747,494, respectively, as disclosed in Note 19.

5.01.03 Assessment of the Allocation of Transaction Price to Performance Obligations

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

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

5.01.04 Assessment of 30 days Rebuttable Presumption

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

5.01.05 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 its financial assets to be not impaired even if this is past due for over one (1) year.

5.01.06 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 agreements, Management assessed that the Company will extend the lease term beyond the non-cancellable 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-cancellable term of three (3) years.

5.01.07 Determining Whether or not a Contract Contains a Lease

Management assessed that lease agreements, as disclosed in Note 27, 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.

5.01.08 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 ₱1,036,209, ₱1,331,293 and nil in 2024, 2023 and 2022, respectively, as disclosed in Notes 21 and 26.

5.01.09 Distinction Between Property and Equipment and Investment Property

The Company determines whether a property qualifies as an 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 of 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 2024 and 2023, Management determined that the net realizable values of the Company's inventories approximate their costs; hence, no impairment or write-down was recognized. The carrying amount of inventories as of December 31, 2024 and 2023 amounted to ₱56,768,845 and ₱29,023,403, respectively, as disclosed in Note 8.

5.02.02 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, 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 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 the 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 Company shall review its present depreciation method and, if current expectations differ, it shall change the depreciation method to reflect the new pattern.

In 2024 and 2023, Management assessed that there is no significant change from previous estimates. As of December 31, 2024 and 2023, the carrying amounts of depreciable property and equipment amounted to ₱549,778,618 and ₱549,403,048, 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.

In both years, 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, 2024 and 2023, the aggregate carrying amounts of the aforementioned assets amounted to ₱626,359,100 and ₱689,458,024, 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, the Company recognized provision for expected credit losses amounting to ₱1,582,497 and nil, respectively, in 2024 and 2023, as disclosed in Notes 7 and 22.

In 2024 and 2023, security deposit represents 0.29% and 0.70%, respectively, of total financial assets. 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 29.02.

As of December 31, 2024 and 2023, the Company's financial assets measured at amortized cost amounted to ₱213,147,451 and ₱86,121,429, respectively, as disclosed in Note 29.02.

5.02.05 Recoverability 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.

In 2023, Management believes it is uncertain that the deferred tax assets can be utilized since there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

In 2024, Management believed that the Company would be able to generate future taxable profit that would allow all of its deferred tax assets to be utilized prior to expiration.

As of December 31, 2024, recognized deferred tax assets amounted to ₱9,645,050, as disclosed in Note 25. As of December 31, 2023, unrecognized deferred tax assets amounted to ₱15,171,838, as disclosed in Note 25.

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, 2024 and 2023, the carrying amounts of intangible asset amounted to ₱669,643 and ₱892,857, respectively, as disclosed Note 12.

5.02.07 Estimating the Appropriate Discount Rate to Use

The Company measures the lease liability 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:

		2024		2023
Cash on hand	₱	**1,613,587**	₱	5,939,330
Cash in banks		**56,706,257**		14,510,267
Cash equivalents		**12,808,849**		12,000,000
	₱	**71,128,693**	₱	32,449,597

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 5.80% to 6.00% and 5.50% per annum in 2024 and 2023, respectively. The deposits have a maturity range of 91 days.

In 2024, 2023 and 2022, finance income earned from bank deposits amounted to ₱127,313, ₱113,921 and ₱12,204, respectively, as disclosed in Note 21. In 2024, 2023 and 2022, finance income earned from cash equivalents amounted to ₱567,271, ₱123,567, and nil, respectively, as disclosed in Note 21.

7. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

		2024		2023
Trade	₱	**143,500,518**	₱	58,684,575
Allowance for expected credit losses		**(1,582,497)**		-
		141,918,021		58,684,575
Advances to officers and employees		**410,452**		157,398
Others		**689,029**		169,189
	₱	**143,017,502**	₱	59,011,162

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.

In 2024, the Company determined that the collectability of certain receivables is uncertain, thus, the Company recognize provision for expected credit losses amounting to ₱1,582,497, as disclosed in Note 22.

Aging of receivables that are past due but not impaired as of December 31, 2024 and 2023 are as follows:

		2024		2023
1 – 30 days	₱	**77,780,581**	₱	20,216,935
31 – 60 days		**34,183,260**		-
61 – 90 days		**13,638,518**		73,567
91 – 120 days		**5,777,116**		200,767
Over 120 days		**10,481,459**		951,886
	₱	**141,860,934**	₱	21,443,155

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

8. INVENTORIES

The Company's inventories are detailed as follows:

		2024		2023
Pharmacy inventory	₱	**25,091,398**	₱	15,668,876
Hospital supplies		**31,677,447**		13,354,527
	₱	**56,768,845**	₱	29,023,403

Total cost of pharmacy inventories recognized as expense in 2024, 2023 and 2022 amounted to ₱122,897,879, ₱41,814,381 and nil, respectively, as disclosed in Note 20.

Total cost of hospital supplies recognized as expense in 2024, 2023 and 2022 amounted to ₱2,787,386, ₱1,937,918 and ₱2,312,822, respectively, as disclosed in Note 20.

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:

		2024		2023
Advances to suppliers	₱	**12,359,040**	₱	10,103,057
Excess tax credits		**3,423,402**		168,068
Advances to contractors		**1,323,200**		1,323,200
Input VAT		-		65,401,470
	₱	**17,105,642**	₱	76,995,795

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

Excess tax credits arise from creditable withholding tax certificates obtained from the Company’s customers and the overpayment of income taxes in prior years.

Advances to contractors refer to the Company's upfront payments made in the previous year to their contractor for the construction of the hospital.

Input VAT represents the twelve percent (12%) amount paid for the purchase of goods and services from various VAT-registered suppliers. The amount of input VAT offset against output VAT amounting to ₱1,711,908 and ₱42,348 in 2024 and 2023, respectively.

10. PROPERTY AND EQUIPMENT – net

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

	Land	Hospital Building	Hospital Equipment	Transportation Equipment	Furniture and Fixtures	Office Equipment	Janitorial Equipment	Total
January 1, 2023								
Cost	₱ 55,444,070	₱ 525,296,930	₱ 15,249,875	₱ 1,584,025	₱ 1,147,706	₱ 717,678	₱ 127,939	₱ **599,568,223**
Accumulated depreciation	-	-	-	-	-	-	-	-
Carrying amount	**55,444,070**	**525,296,930**	**15,249,875**	**1,584,025**	**1,147,706**	**717,678**	**127,939**	**599,568,223**
Movements during 2023								
Balance, January 1	55,444,070	525,296,930	15,249,875	1,584,025	1,147,706	717,678	127,939	**599,568,223**
Additions	-	9,400,648	21,330,068	-	2,142,859	3,066,002	-	**35,939,577**
Depreciation (Notes 20 and 22)	-	(27,097,664)	(2,864,167)	(158,403)	(250,286)	(247,516)	(42,646)	**(30,660,682)**
Balance at December 31, 2023	**55,444,070**	**507,599,914**	**33,715,776**	**1,425,622**	**3,040,279**	**3,536,164**	**85,293**	**604,847,118**
December 31, 2023								
Cost	55,444,070	534,697,578	36,579,943	1,584,025	3,290,565	3,783,680	127,939	**635,507,800**
Accumulated depreciation	-	(27,097,664)	(2,864,167)	(158,403)	(250,286)	(247,516)	(42,646)	**(30,660,682)**
Carrying amount	₱ **55,444,070**	₱ **507,599,914**	₱ **33,715,776**	₱ **1,425,622**	₱ **3,040,279**	₱ **3,536,164**	₱ **85,293**	₱ **604,847,118**

[Balance Carry-Forwarded]

[Balance Forwarded]

	Land	Hospital Building	Hospital Equipment	Transportation Equipment	Furniture and Fixtures	Office Equipment	Janitorial Equipment	Total
Movements during 2024								
Balance, January 1	₱ 55,444,070	₱ 507,599,914	₱ 33,715,776	₱ 1,425,622	₱ 3,040,279	₱ 3,536,164	₱ 85,293	₱ **604,847,118**
Additions	-	698,800	35,370,110	-	2,084,319	1,304,058	-	**39,457,287**
Depreciation (Notes 20 and 22)	-	(27,265,296)	(6,971,438)	(316,805)	(2,202,160)	(2,262,048)	(63,970)	**(39,081,717)**
Balance at December 31, 2024	**55,444,070**	**481,033,418**	**62,114,448**	**1,108,817**	**2,922,438**	**2,578,174**	**21,323**	**605,222,688**
December 31, 2024								
Cost	55,444,070	535,396,378	71,950,053	1,584,025	5,374,884	5,087,738	127,939	**674,965,087**
Accumulated depreciation	-	(54,362,960)	(9,835,605)	(475,208)	(2,452,446)	(2,509,564)	(106,616)	**(69,742,399)**
Carrying amount	**₱ 55,444,070**	**₱ 481,033,418**	**₱ 62,114,448**	**₱ 1,108,817**	**₱ 2,922,438**	**₱ 2,578,174**	**₱ 21,323**	**₱ 605,222,688**

Additions to property and equipment amounting to ₱39,457,287, ₱35,939,577 and ₱65,818,942 were paid in cash in 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, the land and hospital building amounting to ₱536,477,488 and ₱563,043,984, respectively, were used by the Company as collateral for the loan payable, as disclosed in Note 14.

Depreciation expense is allocated as follows:

		2024		2023
Direct costs (Note 20)	₱	**30,693,693**	₱	27,539,841
Operating expenses (Note 22)		**8,388,024**		3,120,841
	₱	**39,081,717**	₱	30,660,682

In 2024 and 2023, 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:

		2024		2023
Balance, January 1				
Cost	₱	**10,083,381**	₱	-
Accumulated depreciation		**(3,361,127)**		-
Carrying amount		**6,722,254**		-
Movements during the year				
Balance, January 1		**6,722,254**		-
Additions		-		10,083,381
Depreciation (Note 22)		**(3,361,127)**		(3,361,127)
Balance, December 31		**3,361,127**		6,722,254
Balance, December 31				
Cost		**10,083,381**		10,083,381
Accumulated depreciation		**(6,722,254)**		(3,361,127)
Carrying amount	₱	**3,361,127**	₱	6,722,254

The details of the lease contract are disclosed in Note 26.

As of December 31, 2024 and 2023, lease liability related to right-of-use asset amounted to ₱4,952,015 and ₱8,403,411, respectively, as disclosed in Notes 15 and 26.

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:

		2024		2023
Balance, January 1				
Cost	₱	**1,116,071**	₱	1,116,071
Accumulated amortization		**(223,214)**		-
Carrying amount		**892,857**		1,116,071
Movements during the year				
Balance, January 1		**892,857**		1,116,071
Amortization (Note 22)		**(223,214)**		(223,214)
Balance, December 31		**669,643**		892,857
Balance, December 31				
Cost		**1,116,071**		1,116,071
Accumulated amortization		**(446,428)**		(223,214)
Carrying amount	₱	**669,643**	₱	892,857

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

The remaining useful life ranges from three (3) to four (4) years and four (4) to five (5) years , respectively, as of December 31, 2024 and 2023.

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

13. TRADE AND OTHER PAYABLES

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

		2024		2023
Trade	₱	**85,449,514**	₱	81,897,082
Accrued expenses		**74,479,427**		41,755,230
Professional fees payable		**27,850,713**		18,536,344
Due to government agencies		**5,405,420**		3,832,751
Others		**32,000,997**		935,753
	₱	**225,186,071**	₱	146,957,160

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 ₱127,403 and ₱268,175, as of December 31 2024 and 2023, respectively, as disclosed in Note 15.

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.

Others pertain to unused claims to PhilHealth.

14. LOANS PAYABLE

On December 10, 2019, the Company entered into an Omnibus Loan Agreement with Development Bank of the Philippines (DBP) wherein DBP has approved to extend in favor of the Company two (2) term loans in the aggregate principal amount of ₱475,000,000 to be made available as follows: (a) Term Loan I in the amount of ₱400,000,000 or Seventy percent (70%) of validated project cost, whichever is lower; and (b) Term Loan II in the amount of ₱75,000,000 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 is as follows:

		2024		2023
Balance, January 1	₱	**398,200,000**	₱	399,200,000
Payment		**(12,000,000)**		(1,000,000)
Balance, December 31	₱	**386,200,000**	₱	398,200,000

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

		2024		2023
Non-current portion	₱	**355,050,000**	₱	345,200,000
Current portion		**31,150,000**		53,000,000
	₱	**386,200,000**	₱	398,200,000

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.

Movements of accrued finance cost are as follows:

		2024		2023		2022
Balance, January 1	₱	**2,246,503**	₱	4,502,093	₱	4,095,000
Finance cost incurred		**39,793,092**		27,712,635		20,458,118
Finance cost paid		**(33,650,473)**		(29,968,225)		(20,051,025)
Balance, December 31	₱	**8,389,122**	₱	2,246,503	₱	4,502,093

The loan is secured by parcel of land, including all improvement existing or may thereafter existing thereon as well as project financed. As of December 31, 2024 and 2023, the land and hospital building amounting to ₱536,477,488 and ₱563,043,984, respectively, were used by the Company as collateral for the loan payable, as disclosed in Note 10.

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.

In 2024, the Company is compliant with the loan covenants, except for the financial ratio that needs to be maintained. The Company has not received any written notice and/or a demand letter from DBP regarding the breached in financial ratios. In 2023, the Company is compliant with the terms and conditions of the loan agreement. Further, the Company pays the amortization without any delays.

15. LEASE LIABILITY

The Company, as lessee, entered into lease contract, as disclosed in Note 26. The following are the amounts of lease liability:

	Minimum Lease Payments				Present Value of Minimum Lease Payments			
		2024		2023		**2024**		2023
Not later than one (1) year	₱	**5,024,682**	₱	5,400,000	₱	**4,952,015**	₱	4,876,078
Later than one (1) year but not later than five (5) years		-		3,600,000		-		3,527,333
		5,024,682		9,000,000		**4,952,015**		8,403,411
Discount		**(72,667)**		(596,589)		-		-
Present value of minimum lease payments		**4,952,015**		8,403,411		**4,952,015**		8,403,411
Current portion		**4,952,015**		3,344,253		**4,952,015**		3,344,253
Non-current portion	₱	-	₱	5,059,158	₱	-	₱	5,059,158

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.

In 2024 and 2023, the finance cost incurred from lease liability amounted to ₱255,747 and ₱388,205, respectively. Finance cost paid amounted to ₱396,519 and ₱120,030, in 2024 and 2023, respectively. Accrued finance cost amounted to ₱127,403 and ₱268,175, in 2024 and 2023, respectively, as disclosed in Note 13. In 2024 and 2023, lease liability paid amounted to ₱3,451,396 and ₱1,679,970, respectively.

As of December 31, 2024 and 2023, related right-of-use asset amounted to ₱3,361,127 and ₱6,722,254, respectively, as disclosed in Note 11.

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

16. RETENTION PAYABLE

Retention payable represents amounts withheld from payments to contractors as guaranty for any future claims against the contractor. As of December 31, 2024 and 2023, the Company's retention payable amounted to nil and ₱46,322,357, respectively.

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

17. 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:

17.01 Advances from Stockholders

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

17.01.01 Key Management Personnel

Transactions with stockholders are detailed as follows:

	December 31, 2024		December 31, 2023	
	Amount/ Volume	**Outstanding Balance**	Amount/ Volume	Outstanding Balance
Stockholders				
Advances	₱ **19,218,406**	₱ **11,848,551**	₱ -	₱ 36,965,345

Advances from stockholders pertain to cash received to finance the purchase of land and 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 2024, the Company's applied and was subsequently approved by SEC to convert its advances from stockholders to capital stock amounting to ₱44,335,200, as disclosed in Note 18.

In 2024 and 2023, payments made by the Company to its related party amounted to nil and ₱152,320,285, respectively.

17.02 Remuneration of Key Management Personnel

The Company's remuneration to its key management personnel amounted to ₱67,019,022 and ₱32,858,050, in 2024 and 2023, respectively.

18. ISSUED CAPITAL

The issued capital of the Company are as follows:

		2024		2023
Capital stock	₱	**129,565,200**	₱	84,510,000
Additional paid-in capital		**157,090,000**		152,950,000
	₱	**286,655,200**	₱	237,460,000

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:

		2024		2023
Ordinary shares				
Common A	₱	**46,500,000**	₱	46,500,000
Common B		**44,335,200**		-
Common C		**27,570,000**		26,850,000
Preference shares		**11,160,000**		11,160,000
	₱	**129,565,200**	₱	84,510,000

18.01 Ordinary Shares

18.01.01 Common "A" Shares

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

	2024			2023		
	Shares		**Amount**	Shares		Amount
Authorized, issued and fully paid:						
₱50 par value	**930,000**	₱	**46,500,000**	930,000	₱	46,500,000

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

18.01.02 Common "B" Shares

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

	2024			2023		
	Shares		**Amount**	Shares		Amount
Authorized Common "B", ₱300 par value	**155,000**	**₱**	**46,500,000**	155,000	₱	46,500,000
Issued and fully paid:						
Balance, January 1	-	**₱**	-	-	₱	-
Issuances	**147,784**		**44,335,200**	-		-
Balance, December 31	**147,784**	**₱**	**44,335,200**	-	₱	-

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.

In 2024, the Company's applied and was subsequently approved by SEC to convert its advances from stockholders to capital stock amounting to ₱44,335,200, as disclosed in Note 17.

18.01.03 Common "C" Shares

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

	2024			2023		
	Shares		**Amount**	Shares		Amount
Authorized Common "C", ₱500 par value	**250,000**	**₱**	**125,000,000**	250,000	₱	125,000,000
Issued and fully paid:						
Balance, January 1	**53,700**	**₱**	**26,850,000**	500	₱	250,000
Issuances	**1,440**		**720,000**	53,200		26,600,000
Balance, December 31	**55,140**	**₱**	**27,570,000**	53,700	₱	26,850,000

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

18.02 Preferred Shares

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

	2024			2023		
	Shares		**Amount**	Shares		Amount
Authorized, issued and fully paid: ₱10 par value	**1,116,000**	**₱**	**11,160,000**	1,116,000	₱	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.

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 ₱50.00 per share
Common "C" Shares (To be offered and sold by way of Initial Public Offering)	250,000 common shares	With par value of ₱50.00, and equivalent to 3,125 blocks or 80 shares per block at an offer price of ₱270,000.00.
Preferred Shares (Not included in the Offer)	1,116,000 founder's shares	With par value of ₱100.00 per share
Total	**2,296,000 shares**	

18.03 Additional Paid-in Capital

Additional paid-in capital amounting to ₱157,090,000 and ₱152,950,000 as of December 31, 2024 and 2023, respectively, pertains to amount invested by the Company's stockholders which exceeded the par value of its ordinary shares.

19. REVENUES – net

The Company's revenues are as follows:

		2024		2023		2022
Sale of medical services						
Special service units	₱	**148,791,463**	₱	71,829,840	₱	1,498,208
Laboratory		**138,653,922**		75,189,188		1,534,960
Radiology		**74,324,174**		38,754,783		351,650
Central sterile supply department		**72,259,614**		47,668,569		735,867
Hemodialysis		**63,325,042**		24,042,857		-
Room and board		**44,293,845**		30,466,074		-
Pulmonary		**30,004,342**		14,690,135		120,320
Nursing service charge		**28,445,811**		13,117,360		76,108
Cardiology		**23,697,014**		10,992,232		89,760
Sonology		**8,997,181**		5,918,690		92,210
PT Rehab		**7,181,563**		3,385,141		7,757
EEG/EMG		**3,073,055**		406,150		-
Dietary		**1,723,989**		8,593,719		182,245
Diabetes center		**1,281,122**		293,440		1,310
Other hospital fees		**13,384,223**		8,811,254		167,425
		659,436,360		354,159,432		4,857,820
Sale of goods						
Pharmacy		**150,867,024**		88,796,212		1,747,494
		810,303,384		442,955,644		6,605,314
Sales discounts		**(71,098,888)**		(31,774,855)		(378,118)
	₱	**739,204,496**	₱	411,180,789	₱	6,227,196

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.

20. DIRECT COSTS

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

		2024		2023		2022
Cost of services (Note 20.01)	₱	**328,274,376**	₱	230,521,096	₱	13,484,217
Cost of goods sold (Note 20.02)		**122,897,879**		41,814,381		-
	₱	**451,172,255**	₱	272,335,477	₱	13,484,217

20.01 Cost of Services

		2024		2023		2022
Salaries and wages (Note 23)	₱	**87,601,408**	₱	73,927,219	₱	5,850,017
Central sterile supply department		**62,747,379**		43,599,253		4,794,474
Doctor's fee		**48,957,916**		28,500,162		-
Depreciation (Note 10)		**30,693,693**		27,539,841		-
Laboratory		**29,512,328**		21,884,995		-
Reader's fee		**27,152,132**		14,428,678		-
Dietary		**14,152,744**		10,120,880		75,726
Hemodialysis		**10,884,340**		-		-
SSS, PhilHealth and HDMF contributions (Note 23)		**8,852,887**		5,587,322		372,555
Hospital supplies (Note 8)		**2,787,386**		1,937,918		2,312,822
Radiology		**2,247,865**		1,311,645		-
Pulmonary		**1,415,772**		747,093		-
Instrument fee		**920,900**		936,090		-
Neurosleep		**347,626**		-		-
Miscellaneous		-		-		78,623
	₱	**328,274,376**	₱	230,521,096	₱	13,484,217

Central sterile supply department pertains to expenses incurred by the Company in maintaining all medical and surgical instruments are properly cleaned, sterilized, and ready for use.

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

20.02 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:

		2024		2023		2022
Inventories, January 1	₱	**15,668,876**	₱	-	₱	-
Purchases		**132,320,401**		57,483,257		-
Cost of goods available for sale		**147,989,277**		57,483,257		-
Inventories, December 31 (Note 8)		**(25,091,398)**		(15,668,876)		-
	₱	**122,897,879**	₱	41,814,381	₱	-

21. OTHER INCOME

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

		2024		2023		2022
Rental (Note 26)	₱	**1,036,209**	₱	1,331,293	₱	-
Finance income (Note 6)		**694,584**		237,488		12,204
Others		**11,640,250**		6,808,997		-
	₱	**13,371,043**	₱	8,377,778	₱	12,204

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

22. OPERATING EXPENSES

The account is composed of the following expenses:

	2024	2023	2022
Management fee (Note 17)	₱ **67,019,022**	₱ 32,858,050	₱ -
Salaries and wages (Note 23)	**31,157,982**	27,178,233	13,382,556
Transportation and travel	**27,549,125**	12,236,384	
Utilities	**17,609,692**	17,802,577	2,602,583
Depreciation (Notes 10 and 11)	**11,749,151**	6,481,968	-
Repairs and maintenance	**7,790,098**	2,001,577	-
Janitorial	**6,169,904**	5,545,284	-
Security	**5,689,435**	4,188,133	-
Bank charge	**4,055,189**	2,778,355	-
Office supplies	**3,838,786**	3,973,863	116,412
Trainings and seminars	**3,502,813**	841,053	-
SSS, PhilHealth and HDMF contributions (Note 23)	**3,229,969**	2,233,668	370,008
Taxes and licenses	**2,761,095**	1,277,947	2,859,500
Representation	**1,930,910**	713,250	41,562
Communication	**1,659,205**	626,844	-
Rentals	**1,592,798**	585,328	-
Provision for expected credit losses	**1,582,497**	-	-
Marketing	**1,536,338**	1,221,060	120,500
Professional fees	**1,534,576**	678,956	1,841,188
Insurance	**873,809**	834,503	-
Meeting allowance	**353,500**	-	-
Fuel and oil	**255,500**	241,428	-
Membership fee	**228,221**	69,357	-
Amortization (Note 12)	**223,214**	223,214	-
Meals	**171,975**	258,525	-
Housekeeping	**158,164**	663,221	-
Donations	**130,000**	221,745	-
Postage	**78,125**	111,337	-
Penalties	-	14,179	113,771
Miscellaneous	**10,238,564**	5,445,381	97,199
	₱ **214,669,657**	₱ 131,305,420	₱ 21,545,279

Transportation and travel pertain to expenses incurred by the Company for the costs related to business trips and travel incentives.

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 Christmas party and gift, garbage and pest control expenses incurred by the Company.

23. EMPLOYEE BENEFITS

23.01 Short-term Employee Benefits

Total short–term employee benefits include:

		2024		2023		2022
Direct costs (Note 20)						
Salaries and wages	₱	**87,601,408**	₱	73,927,219	₱	5,850,017
SSS, PhilHealth and HDMF contributions		**8,852,887**		5,587,322		372,555
		96,454,295		79,514,541		6,222,572
Operating expenses (Note 22)						
Salaries and wages		**31,157,982**		27,178,233		13,382,556
SSS, PhilHealth and HDMF contributions		**3,229,969**		2,233,668		370,008
		34,387,951		29,411,901		13,752,564
	₱	**130,842,246**	₱	108,926,442	₱	19,975,136

24. INCOME TAXES

24.01 Income Tax Recognized in Profit or Loss

Components of income tax expense (benefit) are as follows:

		2024		2023		2022
Current tax expense	₱	**6,014,174**	₱	2,204,784	₱	-
Deferred tax benefit		**(9,645,050)**		-		-
	₱	**(3,630,876)**	₱	2,204,784	₱	-

A numerical reconciliation between tax expense (benefit) and the product of accounting profit (loss) multiplied by the tax rate in 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Accounting profit (loss)	**₱ 46,684,788**	₱ (12,183,170)	₱ (33,292,189)
Tax expense (benefit) at 25%	**11,671,197**	(3,045,793)	(8,323,047)
Tax effects of:			
Non-deductible finance cost	**43,411**	14,843	763
Unrecognized DTA from NOLCO	-	3,025,112	8,296,893
Unrecognized DTA from MCIT	-	2,204,784	-
Unrecognized DTA due to PFRS 16	-	37,333	-
Non-deductible donation	-	27,877	-
Non-deductible expenses	-	-	28,443
Finance income subjected to final tax	**(173,646)**	(59,372)	(3,051)
Recognition of deferred tax assets	**(3,231,033)**	-	-
Application of NOLCO	**(11,940,805)**	-	-
	₱ (3,630,876)	₱ 2,204,784	₱ -

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	₱ 33,187,571	₱ -	₱ 33,187,571	₱ -	₱ -	2025
2023	12,100,448	-	8,144,786	-	3,955,662	2026
	₱ 45,288,019	**₱** -	**₱ 41,332,357**	**₱** -	**₱ 3,955,662**	

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

Year Incurred	**Amount**	**Applied Previous Year**	**Applied Current Year**	**Expired**	**Unapplied**	**Expiry Date**
2020	₱ 4,377,308	₱ -	₱ 4,377,308	₱ -	₱ -	2025
2021	2,053,556	-	2,053,556	-	-	2026
	₱ 6,430,864	**₱ -**	**₱ 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	₱ 2,204,784	₱ -	₱ -	₱ -	₱ 2,204,784	2026
2024	6,014,174	-	-	-	6,014,174	2027
	₱ 8,218,958	**₱ -**	**₱ -**	**₱ -**	**₱ 8,218,958**	

25. DEFERRED TAX ASSETS

Details of unrecognized deferred tax assets are as follows:

Year Incurred		NOLCO		MCIT		Effect of PFRS 16		Total
Balance at January 1, 2023	₱	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	**₱**	**12,929,721**	**₱**	**2,204,784**	**₱**	**37,333**	**₱**	**15,171,838**

In 2023, the Company did not recognize deferred tax assets in the financial statements as Management believes that it is uncertain that these deferred taxes can be utilized.

In 2024, the Company recognize deferred tax assets in the financial statements as Management believes that the Company will generate future taxable profits.

Details of recognized deferred taxes are as follows:

Year Incurred		NOLCO		MCIT		Effect of PFRS 16		Allowance for Expected Credit Losses		Total
Balance at January 1, 2024	₱	12,929,721	₱	2,204,784	₱	37,333	₱	-	₱	**15,171,838**
Recognized in profit or loss		(11,940,805)		6,014,174		4,219		395,624		**(5,526,788)**
Balance at December 31, 2024	**₱**	**988,916**	**₱**	**8,218,958**	**₱**	**41,552**	**₱**	**395,624**	**₱**	**9,645,050**

26. LEASE AGREEMENT

26.01 The Company as a Lessee

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.

26.01.01 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 ₱300,000. The leased asset has lease term of three (3) years from January 1, 2023 to December 31, 2025.

Security deposit amounted to ₱614,843 and ₱600,000 as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the carrying amount of right-of-use asset amounted ₱3,361,127 and ₱6,722,254, respectively, as disclosed in Note 11. As of December 31, 2024 and 2023, the carrying amount of lease liability amounted ₱4,952,015 and ₱8,403,411, respectively, as disclosed in Note 15.

27.02 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 from January 1, 2024 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 ₱1,036,209, ₱1,331,293 and nil, in 2024, 2023 and 2022, respectively, as disclosed in Note 21.

27. EARNINGS (LOSS) PER SHARE

The Company's results of operation in 2024, 2023 and 2022 amounted to a profit (loss) of ₱50,315,664, ₱(14,387,954) and ₱(33,292,189). Accordingly, the Company's earnings (loss) per share in December 31, 2024, 2023 and 2022 amounted to ₱52.63, ₱(14.63) and ₱(35.80), respectively.

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

	2024	2023	2022
Profit (loss) used in the calculation of total loss per share	₱ **50,315,664**	₱ (14,387,954)	₱ (33,292,189)
Weighted average number of ordinary shares for the purpose of loss per share	**956,071**	983,200	930,000

The weighted average number of ordinary shares for 2024, 2023 and 2022 used for the purposes of earnings (loss) per share is computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
December 31, 2024				
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	**147,784**	**2/12**	**24,631**	**24,631**
Issuance of shares during the period and outstanding at the end of the period	**1,440**	**12/12**	**1,440**	**1,440**
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

The Company's basic earnings per share and dilutive earnings per share are the same since the Company does not have any potential dilutive instruments as of December 31, 2024, 2023 and 2022.

28. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial asset and financial liabilities as of December 31, 2024 and 2023, respectively, are presented below:

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	₱ **71,128,693**	₱ **71,128,693**	₱ 32,449,597	₱ 32,449,597
Trade and other receivables	**143,017,502**	**143,017,502**	59,011,162	59,011,162
Security deposit	**614,843**	**614,843**	600,000	600,000
	₱ **214,761,038**	₱ **214,761,038**	₱ 92,060,759	₱ 92,060,759
Financial Liabilities				
Trade and other payables	₱ **220,570,363**	₱ **220,570,363**	₱ 143,124,409	₱ 143,124,409
Accrued finance cost	**8,389,122**	**8,389,122**	2,246,503	2,246,503
Advances from stockholders	**11,848,551**	**11,848,551**	36,965,345	36,965,345
Loans payable	**386,200,000**	**386,200,000**	398,200,000	398,200,000
Lease liability	**4,952,015**	**4,952,015**	8,403,411	8,403,411
Retention payable	-	-	46,322,357	46,322,357
	₱ **631,960,051**	₱ **631,960,051**	₱ 635,262,025	₱ 635,262,025

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.

29. 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.

29.01 Market Risk Management

29.01.01 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.

Profit and losses for the years ended December 31, 2024, 2023 and 2022 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.

29.02 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, all at amortized cost.

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:

		2024		2023
Cash and cash equivalents	₱	**69,515,106**	₱	26,510,267
Trade and other receivables		**143,017,502**		59,011,162
Security deposit		**614,843**		600,000
	₱	**213,147,451**	₱	86,121,429

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:

	PD rate **a**	**LGD rate** **b**		**EAD** **c**		**ECL** **d=a*b*c**
December 31, 2024						
Cash in banks and cash equivalents	**0.00%**	**0.00% to 94.40%**	₱	**69,515,106**	₱	-
Trade and other receivables	**0.00% to 22.00%**	**100.00%**		**143,500,518**		**1,582,497**
Security deposit	**0.00%**	**100.00%**		**614,843**		-
			₱	**213,630,467**	₱	**1,582,497**

	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%	₱	26,510,267	₱	-
Trade and other receivables	0.00%	100.00%		59,011,162		-
Security deposit	0.00%	100.00%		600,000		-
			₱	86,121,429	₱	-

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 2024 and 2023.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 94.40% and 0.00% to 82.42% in 2024 and 2023, 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 0.00% to 22.00% and nil, respectively, in 2024 and 2023, 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 0.29% and 0.70% of total financial assets in 2024 and 2023, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

29.03 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, 2024											
Trade and other payables	-	₱	-	₱	**220,570,363**	₱	-	₱	-	₱	**220,570,363**
Advances from stockholders	-		**11,848,551**		-		-		-		**11,848,551**
Accrued finance cost	-		-		**8,389,122**		-		-		**8,389,122**
Loans payable	**5.25% - 5.50%**		-		**31,150,000**		**263,000,000**		**92,050,000**		**386,200,000**
Lease liability	**5.38%**		-		**5,024,682**		-		-		**5,024,682**
		₱	**11,848,551**	₱	**265,134,167**	₱	**263,000,000**	₱	**92,050,000**	₱	**632,032,718**
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
		₱	36,965,345	₱	250,093,269	₱	157,600,000	₱	191,200,000	₱	635,858,614

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, 2024					
Cash on hand	**-**	**₱ 1,613,587**	**₱ -**	**₱ -**	**₱ 1,613,587**
Cash in banks	**floating rates**	**56,706,257**	**-**	**-**	**56,706,257**
Cash equivalents	**-**	**-**	**12,808,849**	**-**	**12,808,849**
Trade and other receivables	**-**	**-**	**143,500,518**	**-**	**143,500,518**
Security deposit	**-**	**-**	**-**	**614,843**	**614,843**
		₱ 53,319,844	**₱ 156,309,367**	**₱ 614,843**	**₱ 215,244,054**
December 31, 2023					
Cash on hand	-	₱ 5,939,330	₱ -	₱ -	₱ 5,939,330
Cash in banks	floating rates	14,510,267	-	-	14,510,267
Cash equivalents	-	-	12,000,000	-	12,000,000
Trade and other receivables	-	-	59,011,162	-	59,011,162
Security deposit	-	-	-	600,000	600,000
		₱ 20,449,597	₱ 71,011,162	₱ 600,000	₱ 92,060,759

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.

30. 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:

		2024		2023
Debt	₱	**636,575,959**	₱	639,094,776
Cash		**(71,128,693)**		(32,449,597)
Net debt		**565,447,266**		606,645,179
Equity		**270,958,074**		171,447,410
Net debt to equity ratio		**2.09:1**		3.54:1

31. 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 2024, the Company converted its advances from stockholders to equity amounting to ₱44,335,200, as disclosed in Notes 16 and 17.
- In 2023, the Company recognized right-of-use asset and lease liability amounting to ₱10,083,381, as disclosed in Note 10.

32. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

		2024		2023
Balance, January 1	₱	**446,083,434**	₱	592,987,723
Changes from financing cash flows:				
Finance cost incurred		**40,048,839**		28,100,840
Advances received from stockholders		**19,218,406**		-
Recognition of lease liability		-		10,083,381
Payments of advances from stockholders		-		(152,320,285)
Finance cost paid on lease liability		**(396,519)**		(120,030)
Payment of lease liability		**(3,451,396)**		(1,679,970)
Payment of loans		**(12,000,000)**		(1,000,000)
Finance cost paid on loans		**(33,650,473)**		(29,968,225)
Conversion of advances from stockholders to equity		**(44,335,200)**		-
Balance, December 31	₱	**411,517,091**	₱	446,083,434

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on March 25, 2025.

34. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

34.01 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:

34.01.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2024 are as follows:

34.01.01.01 Output VAT

The Company is VAT-registered with an output tax declaration of ₱1,711,908 for the year based on the amount reflected in the revenue.

The Company has zero-rated/ exempt sales amounting to ₱737,078,052 pursuant to the provisions of the National Internal Revenue Code, as amended by RA 9337.

34.01.01.02 Input VAT

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

Balance, January 1	₱	65,401,470
Current year's domestic purchases/payments for:		
Goods for resale/manufacture or further processing		24,694,772
Services rendered by non-residents		3,618,956
Total available input VAT		**93,715,198**
Claims for tax credit/refund and other adjustments		(93,715,198)
Balance, December 31	**₱**	-

34.01.01.03 Other Taxes and Licenses

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

Documentary stamp tax	₱	932,261
Real property tax		223,509
Permits		106,943
Others		1,498,382
	₱	**2,761,095**

34.01.01.04 Withholding Taxes

Expanded withholding taxes	₱	23,478,712
Withholding tax on compensation and benefits		285,679
	₱	**23,764,391**

34.02 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:

34.02.01 Revenue

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

Sale of services	₱	659,436,360
Sale of goods		150,867,024
		810,303,384
Sales discounts		(71,098,888)
	₱	**739,204,496**

34.02.02 Direct Cost

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

Cost of services	₱	328,274,376
Cost of goods sold		122,897,879
	₱	**451,172,255**

34.02.02.01 Cost of Services

Salaries and wages	₱	87,601,408
Central sterile supply department		62,747,379
Doctor's fee		48,957,916
Depreciation		30,693,693
Laboratory		29,512,328
Reader's fee		27,152,132
Dietary		14,152,744
Hemodialysis		10,884,340
SSS, PhilHealth and HDMF contributions		8,852,887
Hospital supplies		2,787,386
Radiology		2,247,865
Pulmonary		1,415,772
Instrument fee		920,900
Pulmonary		347,626
	₱	**328,274,376**

34.02.02.02 Cost of Goods Sold

Inventories, January 1	₱	15,668,876
Purchases		132,320,401
Cost of goods available for sale		147,989,277
Inventories, December 31		(25,091,398)
	₱	**122,897,879**

34.02.03 Taxable Other Income

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

Rental	₱	1,036,209
Others		11,640,250
	₱	**12,676,459**

34.02.04 Itemized Deductions

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

Management fee	₱	67,019,022
Finance cost on loans		39,619,446
Salaries and wages		31,157,982
Transportation and travel		27,549,125
Utilities		17,609,692
Depreciation		8,388,024
Repairs and maintenance		7,790,098
Janitorial		6,169,904
Security		5,689,435
Rentals		5,192,798
Bank charge		4,055,189
Office supplies		3,838,786
Trainings and seminars		3,502,813
SSS, PhilHealth and HDMF contributions		3,229,969
Taxes and licenses		2,761,095
Representation		1,930,910
Communication		1,659,205
Marketing		1,536,338
Professional fees		1,534,576
Insurance		873,809
Meeting allowance		353,500
Fuel and oil		255,500
Membership fee		228,221
Amortization		223,214
Meals		171,975
Housekeeping		158,164
Donations		130,000
Postage		78,125
Miscellaneous		10,238,564
	₱	**252,945,479**

34.02.05 Application of NOLCO

In 2024, the Company applied NOLCO amounting to ₱47,763,221.

34.02.06 Reconciliation on Effect of PFRS 16

		Per PFRS		Effect of Adoption of PFRS 16		Per Tax Code
Depreciation expense from:						
Property and equipment	₱	39,081,717	₱	39,081,717	**₱**	**39,081,717**
Right-of-use assets		3,361,127		(3,361,127)		-
Finance cost from						
Lease liabilities		255,747		(255,747)		-
Rental paid		3,600,000		3,600,000		**3,600,000**

34.02.07 Reconciliation of Limit on Finance Cost Deductibility

		Deductible amount per PFRS		Unallowed deductible per BIR limit		Deductible amount per ITR
Finance cost	₱	39,793,092	₱	(173,646)	₱	39,619,446

34.03 Revenue Regulations No. 34-2020

Revenue Regulations (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is not covered by the requirements and procedures for related transactions provided in RR No. 34-2020.

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R.S. Bernaldo & Associates

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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, 1421

We have audited the financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** for the years ended December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 on which we have rendered the attached report dated March 25, 2025.

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 November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B 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 Accreditation No. 0300-IC
Valid until 2026 audit period

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Accreditation No. 102934-IC
Valid until 2024 audit period
PTR No. 10481164
Issued on January 15, 2025 at Makati City

March 25, 2025

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R.S. Bernaldo & Associates

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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, 1421

We have issued our report dated March 25, 2025 on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** as of and for the year ended December 31, 2024. 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, 2024 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 November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B 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 Accreditation No. 0300-IC
Valid until 2026 audit period

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
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Valid until 2025 audit period
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
BSP Group B Accreditation No. 102934-BSP
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Issued on January 15, 2025 at Makati City

March 25, 2025

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
SCHEDULE I - RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)		**(66,012,590)**
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		**(66,012,590)**
Add/Less: Net Income (Loss) for the current year		**50,315,664**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting per		
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 instrumetns 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		**(15,696,926)**
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	(5,526,788)	
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		**(5,526,788)**
Total Retained Earnings, end of the reporting period available for dividend		**(21,223,714)**

FOOTNOTES

(1) *The amount of retained earnings of a company shouldbe 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 Declation" of the immediatedly preceding period.*

(3) *Adjustments related to the relief provided by the SEC and BSP pertan 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 Availble 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 DOCTORS HOSPITALS)

SCHEDULE II - MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT, SUBSIDIARIES, AN ASSOCIATE, AND JOINT VENTURE

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

None to Report

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
SCHEDULE A - SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name of issuing entity and association of each issue *(i)*	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *(ii)*	Value based on market quotations at end of reporting period *(iii)*	Income received or accrued

None to Report

OPTIMUM QUALITY HEALTH VENTURES, INC.

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

SCHEDULE B - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name and Designation of Debtor *(i)*	Balance at beginning of period	Additions	Amounts Collected *(ii)*	Amounts Written-off *(iii)*	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 - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected *(i)*	Amounts written off *(ii)*	Current	Non Current	Balance at the end of the period
None to Report							

OPTIMUM QUALITY HEALTH VENTURES, INC.

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

SCHEDULE D - SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Hospital Information System	892,857.00	-	(223,214.00)	-	-	669,643.00

OPTIMUM QUALITY HEALTH VENTURES, INC.

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

SCHEDULE E - SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT

AS OF DECEMBER 31, 2024

Title of issue and type of obligation *(i)*	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related Statement of Financial Position *(ii)*	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position *(iii)*
Loans payable	N/A	31,150,000	355,050,000

OPTIMUM QUALITY HEALTH VENTURES, INC.

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

SCHEDULE F - SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES

LONG-TERM LOANS FROM RELATED COMPANIES

AS OF DECEMBER 31, 2024

Name of Related Parties *(i)*	Balance at beginning of period	Balance at end of period *(ii)*
Member of Key Management Personnel	36,965,345.00	11,848,551

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
SCHEDULE G - SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2024

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 *(i)*	Amount owned by person of which statement is filed	Nature of guarantee *(ii)*

None to Report

OPTIMUM QUALITY HEALTH VENTURES, INC.

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

SCHEDULE H - SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Title of Issue *(i)*	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties *(ii)*	Directors, officers and employees	Others *(iii)*
Common A - P50 par value	930,000	46,500,000	-	930,000	180,000	-
Common B - P300 par value	155,000	46,500,000	-	147,784	30,000	-
Common C - P500 par value	250,000	125,000,000	-	55,140	-	-
Preferred shares P10	1,116,000	11,160,000	-	1,116,000	216,000	-

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
A.	**SHORT-TERM LIQUIDITY RATIO**		
	CURRENT RATIO	1.02	0.68
	Current Assets	288,020,682	197,479,957
	Current Liabilities	281,525,759	288,835,618
	WORKING CAPITAL TO ASSETS	0.01	(0.11)
	(Current Assets - Current Liabilities)	6,494,923	(91,355,661)
	Total Assets	907,534,033	810,542,186
B.	**LONG-TERM SOLVENCY**		
	ASSET TO EQUITY	3.35	4.73
	Total Asset	907,534,033	810,542,186
	Shareholders' Equity	270,958,274	171,447,410
	DEBT TO EQUITY	2.35	3.73
	Total Liabilities	636,575,759	639,094,776
	Shareholders' Equity	270,958,274	171,447,410
	LONG-TERM DEBT TO EQUITY	1.43	2.32
	Long-Term Debt	386,200,000	398,200,000
	Shareholders' Equity	270,958,274	171,447,410
	FIXED ASSETS TO EQUITY	2.23	3.53
	(Fixed Assets - Accumulated Depreciation)	605,222,688	604,847,118
	Shareholders' Equity	270,958,274	171,447,410
	CREDITORS EQUITY TO TOTAL ASSETS	0.70	0.79
	Total Liabilities	636,575,759	639,094,776
	Total Assets	907,534,033	810,542,186
	FIXED ASSETS TO LONG-TERM DEBT	1.57	1.52
	(Fixed Assets - Accumulated Depreciation)	605,222,688	604,847,118
	Long-Term Debt	386,200,000	398,200,000

C.	**RETURN ON INVESTMENTS**		
	RATE OF RETURN ON TOTAL ASSETS	0.04	(0.01)
	Net Income	50,315,664	(14,387,954)
	Average Total Assets	1,312,805,126	1,144,359,561
	RATE OF RETURN ON EQUITY	0.14	(0.16)
	Net Income	50,315,664	(14,387,954)
	Average Stockholders' Equity	356,681,979	88,866,387
D.	**PROFITABILITY RATIOS**		
	GROSS PROFIT RATIO	0.39	0.34
	Gross Income	288,032,241	138,845,312
	Revenues	739,204,496	411,180,789
	OPERATING INCOME TO REVENUES	0.41	0.36
	Income from Operations	301,403,284	147,223,090
	Revenues	739,204,496	411,180,789
	PRETAX INCOME TO REVENUES	0.06	(0.03)
	Pretax Income	46,684,788	(12,183,170)
	Revenues	739,204,496	411,180,789
	NET INCOME TO REVENUE	0.07	(0.03)
	Net Income	50,315,664	(14,387,954)
	Revenues	739,204,496	411,180,789
E.	**INTEREST COVERAGE RATIO**		
	INTEREST COVERAGE RATIO	6.53	4.24
	Earnings Before Interest and Tax	261,354,445	119,122,250
	Interest Expense	40,048,839	28,100,840

OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITALS)
SCHEDULE IV - EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2024	2023
Total Audit Fees *(Section 2.1 a)*	**300,000.00**	200,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees *(Section 2.1 b)*	-	-
TOTAL AUDIT AND NON-AUDIT FEES	**300,000.00**	200,000.00

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	2024	2023
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	-	-