

OPTIMUM QUALITY HEALTH VENTURES, INC

Doing business under the name and style
of Camarin Doctors Hospital



2025

ANNUAL REPORT



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, 2025
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) 967-4735105
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	56,660

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 1,141,660 voting shares held by non-affiliates of the Company as of December 31, 2025, is Php121,330,000.00

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

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

Yes No **NOT APPLICABLE**

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Any annual report to security holders; **NONE**
- (b) Any information statement filed pursuant to SRC Rule 20; **YES**
- (c) Any prospectus filed pursuant to SRC Rule 8.1. **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, Grace Medical Center, 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 consultations. 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, 2025.

Name of Supplier	Nature of Product Supplied
<p>Ajanta Pharma Philippines Inc., Bell-Kenz Pharma, Inc., Britton Distribution Inc., Buehler Pharma and Medical Trading Corp, Carelab Pharmacy, The Cathay Drug Co., Inc., Conjug8 Corp, Corbridge Group Philippines, Inc., Clearvue Pharmaceuticals, Delex Pharma International Inc, Dynasty Pharmaceuticals Inc., Endure Medical, Inc., Elin Pharmaceuticals Inc. Euro-Med Laboratories Phil., Inc., Genzen Pharmaceuticals Trading, Getz Bros Philippines, Inc., Globo Asiatico Enterprise Inc, GTTG Pharmacy, Hiram Pharmacy, Innogen Pharmaceuticals Inc., Jackson Pharmaceuticals Inc., JCS Pharmaceuticals Inc, JustRight Healthcare, Inc., Kauffman Pharma Inc., Labmate Pharma Inc., Macropharma Corporation, MedEthix Incorporated, Medhaus Pharma Inc, MedMart Inc., Metro Drug Inc, MG Prime Pharmaceutical Inc., MS Pharmport Distributors Inc., Natrapharm Inc., Oncolife Corporation, One Aceso Pharmaceuticals Inc, OPTI Pharma Inc., Oxford Distributions Inc., Patriot Pharmaceuticals Corporation, Pediatrica Inc., Pharmaspec Inc., Pheonix Pharmaceuticals Inc., PKDF Marketing Corporation, Redstar International Phamaceutical Products Distribution, Riamedica Pharmaceutical Distributor, Psahm Medpharma Trading, Sandoz Philippines, Sannovex Pharmaceuticals, Sanofi, SJV Endeavors Corporation, Solvang Pharmaceuticals Inc., Sotera Pharma Inc., SUN Pharma Phils. Inc., Unilab, United Pharma Plus Inc., Vizcarra Pharmaceutical Inc, Zuellig Pharma, Zydus Healthcare Philippines Inc., Zyre Pharmaceuticals Corporation</p>	<p>Medicines</p>
<p>Excelife Med Trading</p>	<p>Laboratory Equipment and Consumables</p>
<p>Caloocan Gas Corp., ACTIMED Healthcare Technologies Inc., AMR Healthcare Medical Supplies, Biopharma Medical Solutions Inc, Crosspoint Medical Supplies Corporation, D&R Micromed Supply Incorporated, Dreamax Incorporated, E. Mendez Medical Supply Inc., East Lane Corporation, Ginrey Trading Corporation, Helande Kidney Care Inc., Heromed Health Care Device Trading, HLMP Medical Enterprise, Homecare Hospoital EnterpriseslCare Life Medical Devices Inc, IDS Medical System Philippines Inc, Indoplas Phils Inc, Janissa Healthcare Philippines, Lifelink, Inc., Maracare Medical Devices, Inc., Medasia Medical Products Corporation, Medev Medical Devices Corporation, MediFaith Medical Enterprises Inc, Medimarc Trading, Mediwide Philippines Incorporated, Medical Center Trading Corporation, Medlane Pharma Inc, Nyquist Imaging Systems Inc, ORI-Phil Industries Co. Progressive Medical Corporation,</p>	<p>Medical Supplies</p>

Project 45 Ventures Corporation, Qlap Endoscopies Inc, Respicare Enterprises Inc, 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, TBPC Pharmaceutical Products Trading, Turumba Medical Equipment and Supplies Trading, UP Manila-IHG, Variance Trading Corporation, Vaxpro Pharma and Medical Supplies Distribution, Wexham Medical Resources Inc, Winback 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, Winback Medical Supplies	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, 2025, 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, 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, 2025, 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	142	21	163
Ancillary Services	93	10	103
Nursing Services	201	16	217
TOTAL	436	47	483

The total expenditures for the payment of salaries and wages for 2025 amounted to Php172,492,090.

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 2025 made a total amount of purchases of P78,688,102.

Out of the P78,688,102 equipment purchases, the acquisition of medical equipment, tools and instruments consist of the bulk of purchases for 2025 with a purchase amount of P66,957,385.

Purchases spent for building improvement is only P3,670,177 or 4.66% 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, 2025, show that Optimum Quality Health Ventures, Inc. has 738 stockholders. The following is the list of stockholders as of December 31, 2025:

	STOCKHOLDERS	NO. OF SHARES		%
1	Ricardo O. Javison	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
2	Larry G. Lianko	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
3	Jonathan L. Latonio	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
4	Maritoni C. Abbariao	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
5	Mario M. Domingo	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
6	Monet Estelita E. Dulay	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
7	Willie L. Go	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
8	Bryan M. Haberia	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
9	Djhoana Jet E. Siao	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
10	Carl Ryan Marino D. Taguba	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	

11	Visitacion V. Toy	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
12	Leah Jeanette C. Bayan	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
13	Catherine P. Cabalic	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
14	Winston P. Abesamis	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
15	Richard Q. Arellano	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
16	Arwin G. David	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
17	Sharon Michelle P. Bentero	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
18	Grace M. Fabon	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
19	Jehiel L. Fabon	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
20	Eli A. Florendo	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
21	Brenda B. Gianan	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
22	Maria Cristina S. Javison	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
23	Yvette Muviel B. Latonio	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
24	Chona T. Lianko	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	

25	Ronald F. Licup	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
26	Arnel F. Lim	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
27	Hermie F. Maglaya-Ang	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
28	Mayshara M. Montojo	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
29	Virginia P. Go	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
30	Christopher D. Taguba	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
31	Katrina Louise M. Taguba	Preferred	36,000	3.1448%
		Common A	30,000	
		Common B	5,000	
		TOTAL	71,000	
32	Others	Common C	56,660	2.5097%

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 and the covenant with Development Bank of the Philippines not to declare dividends until the bank loan is fully paid unless the lender consented to it in writing.

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, 2025, and 2024

Optimum Quality Health Ventures, Inc.'s total assets at year-end 2025 and 2024 ended at Php1,008,816,438 and Php907,534,033 respectively. Total liabilities decreased to Php623,324,002 as of year-end 2025 from Php636,575,959 in year-end 2024. The stockholders' equity significantly increased to Php385,492,436 in year-end 2025 compared to the previous year of Php270,958,074 mainly due to a net profit of Php107,239,362.

Total current assets increased to Php370,115,607 as of year-end 2025, as against Php288,635,525 in 2024.

Total non-current assets, which accounted for about 63.31% of the total assets in 2025 and 68.20% in 2024 amounted to Php638,700,831 and Php618,898,508 respectively. Cost of the hospital building and investment in medical equipment comprised bulk of the non-current assets.

Total current liabilities increased to Php332,874,002 in 2025 from Php281,525,759 in 2024. The increase of Php51,348,243 is mainly because of the increase of the trade and other payables amounting to Php262,898,355, loans payable to DBP with advance payment amounting to 52,600,000 and income tax payable amounting to Php4,078,152.

Total non-current liabilities which consisted of loans payable to DBP stood at Php290,450,000.

Statement of Comprehensive Income

Comparing 2025 and 2024

Revenue from operations for the year 2025 amounted to Php990,743,128 as compared to 2024 of Php739,204,496 or an increase of Php251,538,632 due to the full operation of the hospital in 2025.

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

	2025	2024
Sale of medical services		
Special Service Units	198,784,486	148,791,463
Laboratory	190,925,272	138,653,922
Radiology	105,520,939	74,324,174
Central Sterile Supply	89,208,634	72,259,614
Hemodialysis	122,625,759	63,325,042
Room and Board	46,719,303	44,293,845
Pulmonary	37,105,801	30,004,342
Nursing Service Charge	42,752,277	28,445,811
Cardiology	29,111,970	23,697,014
Sonology	10,759,116	8,997,181
PT Rehab	10,980,119	7,181,563
EEG/EMG	3,058,504	3,073,055
Dietary	1,345,651	1,723,989
Diabetes Center	1,979,653	1,281,122
Other Hospital Fees	18,926,044	13,384,223
	909,803,526	659,436,360
Sales Discounts	(106,832,541)	(71,098,888)
	802,970,985	588,337,472
Sale of goods		
Pharmacy	187,772,143	150,867,024
	Php 990,743,128	Php 739,204,496

Direct Cost in 2025 amounted to Php516,657,147 as compared to 2024 of Php451,172,255 or an increase of Php65,484,892. Breakdown of Direct Costs for year 2024 and 2023 are presented below.

	2025	2024
Cost of Services		
Salaries and Wages	112,165,149	87,601,408
Central Sterile Supply Dept.	47,882,215	62,747,379
Doctor's Fees	57,682,374	48,957,916
Depreciation	37,578,216	30,693,693
Laboratory	42,458,080	29,512,328
Reader's Fees	35,207,181	27,152,132
Dietary	8,542,248	14,152,744
Hemodialysis	26,996,595	10,884,340
SSS, Philhealth and HDMF	12,434,399	8,852,887
Hospital Supplies	2,885,987	2,787,386
Radiology	6,413,700	2,247,865
Pulmonary	1,599,319	1,415,772
Instrument Fees	1,722,608	920,900
Neurosleep	1,388,075	347,626
Management & Consultancy	7,536,128	-
Meal	5,412,682	-
HD Incentives	1,569,230	-
Total Cost of Services	409,474,186	328,274,376

Cost of Goods Sold			
Beginning Inventory		25,091,398	15,668,876
Purchases		100,142,336	132,320,401
Cost of goods available for sale		125,233,734	147,989,277
Less: Ending Inventory		(18,050,773)	(25,091,398)
Total Cost of Goods Sold		107,182,961	122,897,879
Cost of Services			
		409,474,186	328,274,376
Cost of Goods Sold		107,182,961	122,897,879
TOTAL DIRECT COST	Php	516,657,147	Php 451,172,255

Operating Expenses for 2025 stood at Php313,359,581 and in 2024 at Php214,669,657 or an increase in the amount of Php98,689,924. Breakdown of 2025 and 2024 Operating Expenses are as follows:

	2025	2024
Management Fee	80,980,279	67,019,022
Transportation and travel	50,227,729	27,549,125
Salaries and Wages	43,511,300	31,157,982
Utilities	28,847,018	17,609,692
Insurance	16,167,122	873,809
Depreciation	13,212,727	11,749,151
Janitorial	7,650,723	6,169,904
Security	7,133,814	5,689,435
Repairs & Maintenance	6,818,539	7,790,098
Communication	6,392,041	1,659,205
Representation	6,114,292	1,930,910
Provision-Expected Credit Loss	5,511,218	1,582,497
Bank Charge	5,477,661	4,055,189
SSS, Philhealth and HDMF	4,802,718	3,229,969
Office Supplies	4,110,197	3,838,786
Training and Seminars	2,707,562	3,502,813
Rentals	2,700,203	1,592,798
Professional Fees	2,538,146	1,534,576
Taxes and Licenses	2,340,353	2,761,095
Representation	1,930,910	1,930,910
Marketing	1,848,374	1,536,338
Meeting Allowance	722,826	353,500
Amortization	223,214	223,214
Membership Fee	183,174	228,221
Meals	177,411	171,975
Fuel and oil	151,625	255,500
Donations	100,000	130,000
Postage	96,130	78,125
Housekeeping	25,603	158,164
Penalties	8,571	-
Miscellaneous	15,579,011	10,238,564
TOTAL OPERATING EXPENSE	Php 313,359,581	Php 214,669,657

The comprehensive income of Optimum Quality Health Ventures, Inc. resulted also in the decrease in Other Income of Php1,260,399 from Php13,371,043 to Php12,110,644 which is attributable the decrease in canteen sales.

Key Performance Indicators

	2025	2024
Current Ratio	1.11	1.02
Acid Test Ratio	0.98	0.82
Solvency Ratio	0.38	0.30
Debt to Equity Ratio	1.62	2.35
Asset to Equity Ratio	2.62	3.35
Return to Equity	33%	23%
Return to Assets	11%	6%
Net Profit Margin	11%	7%
Gross Profit Margin	48%	39%
Book Value Per Share	94.13	49.63

Hospital Census

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

	Year 2025	Year 2024
Average Daily Inpatients	85	82
Average Daily Outpatients	342	288

HMO Accreditation

At present, there are 31 accredited Health Maintenance Organizations (HMOs) in operation. The list of HMOs are as follows:

1. Etiqa	9. Eastwest	17. IMS WealthCare	25. Generali
2. Kaiser	10. Getwell Health	18. HMI	26. Fortune Life
3. Valuecare	11. 1CoopHealth	19. Pacific Cross	27. HPPI
4. Intellicare	12. Philcare	20. Medasia	28. Medocare
5. Avega	13. Forticare	21. Medicaid	29. Wellcare
6. Lacson & Lacson	14. Medicare Plus	22. Maxicare	30. Phil British
7. Amaphil	15. Sunlife Grepa	23. InLife	31. Allianz PNB
8. Flexicare	16. Cocoilife	24. Carewell	

Item 7. Financial Statements

Attached hereto is the audited financial statement of Optimum Quality Health Ventures, Inc. for the fiscal year ending December 31, 2025.

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 2025, RSBA invoiced Optimum Quality Health Ventures, Inc. for a total fee of Php515,200 which includes VAT and out-of-pocket expenditures. Similarly, in 2024, the fee invoiced by RSBA amounted to Php386,400 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 2025-2026. 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-Sacayle	November 20, 1977	Filipino	Independent Director	2021

Dr. Ricardo, O. Javison, Filipino, 53, 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. A founder of ACE Hospital and Medical Center in San Jose Del Monte, Bulacan. He is also a consultant of the Department of Internal Medicine of 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, 55, 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 the former Medical Director of Skyline Hospital and Medical Center and an active consultant in the department of Anesthesiology.

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, 61, 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, San Mateo 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, 55, was elected to the Board of Optimum Quality Health Ventures, Inc. on July 25, 2021. She is an Active Consultant in the department of Internal Medicine of Dr. Jose N. Rodriguez Memorial Hospital in North Caloocan City. A common stockholder of Grace Medical Center, Skyline Hospital and Medical Center, and Commonwealth Hospital and Medical Center. She is a practicing Adult Neurologist and the head coordinator of Neurobehavioral sciences department of Camarin Doctors Hospital. She is also a member of the several hospital committees including Marketing, Human Resources, Grievance & Complaints, and Infection & Prevention Control committee.

Dr. Mario M. Domingo, Filipino, 47, is a board of director of Optimum Quality Health Ventures, Inc. since November 2017. He is part of the consultant staff in the department of Internal Medicine of Dr. Jose N. Rodriguez Memorial Hospital and a Part-time professor at FEU-NRMF College of Medicine and Part of the Training Core of Healthway FEU- Department of Medicine Residency Training Program. 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, 49, is a practicing Family Medicine and Primary Care Physician. She is one of the board of directors 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, 67, 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, 52, 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 Central Supply & Sterile Department.

Dr. Djhoana Jet E. Siao, Filipino, 53, 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 Human Resources Department. She is a member of several hospital committees including Business & Finance, and Canvass & Pricing.

Dr. Carl Ryan Marino D. Taguba, Filipino, 48, 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 Credit & Collection 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, 62, 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, 28, 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, 46, was elected as an independent director on July 25, 2021. She is a hypertension specialist, an active consultant in the Department of Internal Medicine in Camarin Doctors Hospital, Commonwealth Hospital and Medical Center Skyline Hospital and Medical Center

and Grace Medical Center. 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, 52, 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-Sacayle, Filipino, 48, 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-Sacayle 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, 52, 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.

Compliance Officer

Dr. Catherine P. Cabalic, Filipino, 55, has been the Compliance Officer of the Company since July 25, 2021. She is a practicing Pediatrician in several hospital including Camarin Doctors Hospital, Commonwealth Hospital & Medical Center, Skyline Hospital & Medical Center, Providence Hospital, FEU-NRMF Medical Center, and Bernardino General Hospital. She is a Fellow member of the Philippine Pediatric Society. Dr. Cabalic earned her degree in Bachelor of Science in Medical Technology from the Far Eastern University and medical degree from Far Eastern University Nicanor Reyes Memorial Foundation. She 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	YEAR	SALARY	BONUS & BENEFITS	OTHERS	TOTAL
Total Compensation of the Chief Executive Officer and Senior Executive Officers	2026 (est.)	10,080,000.00	5,516,000.00	4,692,362.52	20,288,362.52
	2025	10,080,000.00	5,516,000.00	4,752,704.64	20,348,704.64
	2024	4,680,000.00	3,340,000.00	5,929,290.01	13,949,290.01
All Other Officers and Directors as a group	2026 (est.)	7,380,000.00	8,577,000.00	7,739,971.53	23,696,971.53
	2025	7,380,000.00	8,577,000.00	7,801,722.27	23,758,722.27
	2024	4,535,000.00	4,965,000.00	6,429,347.33	15,929,347.33
Total	2026 (est.)	17,460,000.00	14,093,000.00	12,432,334.05	43,985,334.05
	2025	17,460,000.00	14,093,000.00	12,554,426.91	44,107,426.91
	2024	9,215,000.00	8,305,000.00	12,358,637.34	29,878,637.34

Compensation of Directors

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

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

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

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

Voting Securities and Principal Holders Thereof

The total number of shares issued and outstanding as of December 31, 2025, is 1,141,660 shares, breakdown of which are as follows: Common Share A 930,000 shares, Common Shares B 155,000, and Common Share C – 56,660 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, 2025.

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	3.1448%
				Common A	30,000	
				Common B	5,000	
Larry G. Lianko Chairman	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Jonathan L. Latonio Corporate Treasurer	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Maritoni C. Abbariao Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Mario M. Domingo Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Monet Estelita E. Dulay Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	

Willie L. Go Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Bryan M. Haberia Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Djhoana Jet E. Siao Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Carl Ryan Marino D. Taguba Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Visitacion V. Toy Director	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				Common A	30,000	
				Common B	5,000	
Leah Jeanette C. Bayan Corporate Secretary	3,360,000	Direct	Filipino	Preferred	36,000	3.1448%
				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-Sacayle 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 2025 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 2025 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

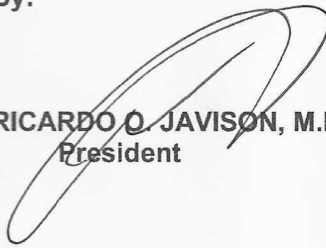
Exhibits

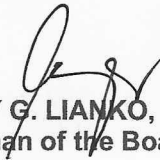
1. Audited Financial Statement for the years ended December 31, 2025

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 2026 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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ATTY. SEVERINA S. AGUILAR-ACUÑA
NOTARY PUBLIC
FOR AND WITHIN THE JURISDICTION OF CALOOCAN CITY METRO MANILA
Notarial Commission No. C-532 until December 31, 2026
PTR NO. 2977322 / January 05, 2026 / Caloocan City, MM
Attorney's Roll. 30232
Lifetime IBP No. 776295. January 27, 2009 / CALMANA CHAPTER
MCLE Compliance No. VIII-0022861 valid until April 14, 2028 / Pasig City
No. 15 Zone Brgy. 172 Zamora Comp. Gate 1, 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with the Philippine Financial Reporting Standards Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

DR. LARRY G. LIANKO
Chairman of the Board

DR. RICARDO O. JAVISON
President

DR. JONATHAN L. LATONIO
Treasurer

MAR 26 2026

Signed this ___ day of ___ 2026.

MAR 26 2026

SUBSCRIBED AND SWORN to before me this ___ day of ___ 2026 affiants exhibiting to me their respective Professional Regulation Commission (PRC) ID, as follows:

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

Doc. No. 221 ;

Page No. 40 ;

Book No. 240 ;

Series of 2026

ATTY. SEVERINA S. AGUILAR-ACUÑA

NOTARY PUBLIC

FOR AND WITHIN THE JURISDICTION OF CALOOCAN CITY METRO MANILA

Notarial Commission No. C-532 until December 31, 2026

PTR NO. 2977322 / January 05, 2026 / Caloocan City, MM

Attorney’s Roll. 30232

Lifetime IBP No. 776295 January 27, 2009 / CALMANA CHAPTER

MCLE Compliance No. VIII-0022861 valid until April 14, 2028 / Pasig City

No. 15 Zone Brgy. 172 Zamora Comp. Gate 1, Camarin Caloocan City

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
OPTIMUM QUALITY HEALTH VENTURES, INC.
(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)
#1 Camarin Road, Brgy. 172
Camarin, Caloocan City, 1421

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC.** *(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)* (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, 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, 2025, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as 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 33 to the financial statements, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the Management of **OPTIMUM QUALITY HEALTH VENTURES, INC. (*Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL*)**. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 (extended until 2025 audit period)

BSP Group B Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2026

Valid from February 2, 2026 until February 1, 2029

IC Group A Accreditation No. 0300-IC

Valid until 2026 audit period

CDA CEA No. 013 - AF

Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA

Partner

CPA Certificate No. 102934

BOA/PRC No. 0300/P-003

Valid until November 19, 2026

SEC Group A Accreditation No. 102934-SEC

Valid until 2025 audit period

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 Group A Accreditation No. IC-EA-2025-0061-R

Valid until 2027 audit period

PTR No. 10780861

Issued on January 20, 2026 at Makati City

March 25, 2026

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

December 31, 2025 and 2024

(In Philippine Peso)

	NOTES	2025	2024
A S S E T S			
Current Assets			
Cash and cash equivalents	6	84,149,056	71,128,693
Trade and other receivables – net	7	222,630,234	143,017,502
Security deposit	25	501,226	614,843
Inventories	8	44,585,472	56,768,845
Other current assets	9	18,249,619	17,105,642
		370,115,607	288,635,525
Non-current Assets			
Property and equipment – net	10	636,480,974	605,222,688
Right-of-use asset – net	11	-	3,361,127
Intangible asset – net	12	446,429	669,643
Deferred tax assets	24	1,773,428	9,645,050
		638,700,831	618,898,508
TOTAL ASSETS		1,008,816,438	907,534,033
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	13	262,898,355	225,186,071
Accrued finance cost	14	7,207,495	8,389,122
Advances from stockholders	16	6,090,000	11,848,551
Loans payable	14	52,600,000	31,150,000
Lease liability	15	-	4,952,015
Income tax payable		4,078,152	-
		332,874,002	281,525,759
Non-current Liability			
Loans payable – net of current portion	14	290,450,000	355,050,000
Lease liability – net of current portion	15	-	-
		290,450,000	355,050,000
TOTAL LIABILITIES		623,324,002	636,575,759
STOCKHOLDERS' EQUITY			
Capital Stock	17	132,490,000	129,565,200
Additional Paid-in Capital	17	161,460,000	157,090,000
Retained Earnings (Deficit)		91,542,436	(15,696,926)
TOTAL STOCKHOLDERS' EQUITY		385,492,436	270,958,274
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		1,008,816,438	907,534,033

(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, 2025, 2024 and 2023

(In Philippine Peso)

	NOTES	2025	2024	2023
REVENUES – net	18	990,743,128	739,204,496	411,180,789
DIRECT COSTS	19	516,657,147	451,172,255	272,335,477
GROSS PROFIT		474,085,981	288,032,241	138,845,312
OTHER INCOME	20	12,110,644	13,371,043	8,377,778
		486,196,625	301,403,284	147,223,090
OPERATING EXPENSES	21	313,359,581	214,669,657	131,305,420
FINANCE COSTS	14,15	30,163,284	40,048,839	28,100,840
PROFIT (LOSS) BEFORE TAX		142,673,760	46,684,788	(12,183,170)
INCOME TAX EXPENSE (BENEFIT)	23	35,434,398	(3,630,876)	2,204,784
PROFIT (LOSS)		107,239,362	50,315,664	(14,387,954)
BASIC AND DILUTIVE				
EARNINGS (LOSS) PER SHARE	26	94.13	49.83	(14.63)

(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, 2025, 2024 and 2023

(In Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total
Balance at January 1, 2023		57,910,000		(51,624,636)	6,285,364
Issuance of common shares		26,600,000	152,950,000		179,550,000
Loss				(14,387,954)	(14,387,954)
Balance at December 31, 2023		84,510,000	152,950,000	(66,012,590)	171,447,410
Issuance of common shares	17	45,055,200	4,140,000		49,195,200
Profit				50,315,664	50,315,664
Balance at December 31, 2024	17	129,565,200	157,090,000	(15,696,926)	270,958,274
Issuance of common shares	17	2,924,800	4,370,000		7,294,800
Profit				107,239,362	107,239,362
Balance at December 31, 2025	17	132,490,000	161,460,000	91,542,436	385,492,436

(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, 2025, 2024 and 2023

(In Philippine Peso)

	NOTES	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		142,673,760	46,684,788	(12,183,170)
Adjustments for:				
Depreciation	10,11,19,21	50,790,943	42,442,844	34,021,809
Finance cost	14,15	30,163,284	40,048,839	28,100,840
Amortization	12,21	223,214	223,214	223,214
Finance income	6,20	(1,600,657)	(694,584)	(237,488)
Operating cash flows before changes in working capital		222,250,544	128,705,101	49,925,205
Decrease (Increase) in operating assets:				
Trade and othe receivables		(79,612,732)	(84,006,340)	(58,530,050)
Inventories		12,183,373	(27,745,442)	(29,023,403)
Other current assets		(20,284,699)	53,875,979	(28,472,778)
Security deposit		113,617	(14,843)	(600,000)
Increase (Decrease) in operating liabilities:				
Trade and other payables		38,168,101	78,369,683	124,649,679
Retention payable		-	(46,322,357)	-
Net cash from operations		172,818,204	102,861,781	57,948,653
Income tax paid		(4,343,902)	-	-
Net cash from operating activities		168,474,302	102,861,781	57,948,653
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,20	1,600,657	694,584	237,488
Additions to property and equipment	10	(78,688,102)	(39,457,287)	(35,939,577)
Net cash used in investing activities		(77,087,445)	(38,762,703)	(35,702,089)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances received from stockholders	16	-	19,218,406	-
Proceeds from issuance of shares	17	7,294,800	4,860,000	179,550,000
Repayments of advances from stockholders	16	(5,758,551)	-	(152,320,285)
Finance cost paid on lease liability	15	(455,817)	(396,519)	(120,030)
Payment of lease liability	15	(5,280,429)	(3,451,396)	(1,679,970)
Payment on loans	14	(43,150,000)	(12,000,000)	(1,000,000)
Finance cost paid on loans	14	(31,016,497)	(33,650,473)	(29,968,225)
Retained Earnings (Deficit)		(78,366,494)	(25,419,982)	(5,538,510)
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,020,363	38,679,096	16,708,054
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		71,128,693	32,449,597	15,741,543
CASH AND CASH EQUIVALENTS AT END OF YEAR		84,149,056	71,128,693	32,449,597

(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, 2025 and 2024 and for each of the
Three Years in the Period ended December 31, 2025

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) Accounting Standards. The term "PFRS Accounting Standards" 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 Accounting Standards 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 PFRS Accounting Standards Applied with No Material Effect on the Financial Statements

The following new and revised PFRS Accounting Standards have also been adopted in these financial statements. The application of these new and revised PFRS Accounting Standards 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 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.

2.02 New and Revised PFRS Accounting Standards 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 Accounting Standards, to have significant impact on the financial statements.

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

- Amendments to 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, with earlier application permitted.

- PFRS 17, *Insurance Contracts*

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

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, 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, 2027. However, 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, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- 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 Accounting Standards and are prepared under the historical cost convention, except for certain financial instruments that are carried at amortized cost and inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

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

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

3.03 Current and Non-current Presentation

The Company classifies an asset as current when:

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

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within 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, 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 costs of completion 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.

4.04 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 to 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, if any, 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, 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 Due to Government Agencies

Due to government agencies, including withholding tax payables and mandatory contributions to SSS, PhilHealth, and HDMF are recognized as current liabilities upon incurrence and measured at cost. Settlement is made in accordance with statutory deadlines and regulatory requirements.

4.12 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.

4.12.01 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.

4.12.02 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.

4.13 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.

4.14 Leases

4.14.01 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.

4.14.02 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;

- 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.

4.15 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.

4.16 Taxation

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

4.16.01 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.

4.16.02 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.

4.16.03 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.

4.17 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.

4.18 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, 2025 and 2024, the carrying amounts of the Company's financial asset measured at amortized cost amounted to P304,527,959 and P213,147,451, respectively, as disclosed in Note 28.02.

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 2025, 2024 and 2023, revenue from sale of medical service amounted to P909,803,526, P659,436,360 and P354,159,432, respectively, as disclosed in Note 18.

In 2025, 2024 and 2023, revenue from sale of goods amounted to P187,772,143, P150,867,024 and P88,796,212, respectively, as disclosed in Note 18.

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 some of 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 25, 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 ₱920,132, ₱1,036,209 and ₱1,331,293 in 2025, 2024 and 2023, respectively, as disclosed in Notes 20 and 25.

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 2025 and 2024, 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, 2025 and 2024 amounted to P44,585,472 and P56,768,845, 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 2025 and 2024, Management assessed that there is no significant change from previous estimates. As of December 31, 2025 and 2024, the carrying amounts of depreciable property and equipment amounted to P581,036,904 and P549,778,618, respectively, as disclosed in Note 10.

5.02.03 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, 2025 and 2024, the carrying amounts of intangible asset amounted to P446,429 and P669,643, respectively, as disclosed Note 12.

5.02.04 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 Accounting Standards.

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, 2025 and 2024, the aggregate carrying amounts of the aforementioned assets amounted to P655,177,024 and P626,359,100, respectively, as disclosed in Notes 9, 10, 11 and 12.

5.02.05 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 and cash equivalents. 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 P5,511,218 and P1,582,497, respectively, in 2025 and 2024, as disclosed in Notes 7 and 21.

In 2025 and 2024, security deposit represents 0.16% and 0.29%, 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 28.02.

As of December 31, 2025 and 2024, the Company's financial assets measured at amortized cost amounted to P304,527,959 and P213,147,451, respectively, as disclosed in Note 28.02.

5.02.06 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 both years, Management believes that the Company will be able to generate future taxable profit that would allow all of its deferred tax assets to be fully utilized. As of December 31, 2025 and 2024, recognized deferred tax assets amounted to P1,773,428 and P9,645,050 as disclosed in Note 24.

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:

	2025	2024
Cash on hand	P 2,752,557	P 1,613,587
Cash in banks	68,034,973	56,706,257
Cash equivalents	13,361,526	12,808,849
	P 84,149,056	P 71,128,693

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 4.55% to 5.75% and 5.80% per annum in 2025 and 2024, respectively. The deposits have a maturity range of 32 days.

In 2025, 2024 and 2023, finance income earned from bank deposits amounted to P293,391, P127,313 and P113,921, respectively, as disclosed in Note 20. In 2025, 2024 and 2023, finance income earned from cash equivalents amounted to P1,307,266, P567,271, and P123,567, respectively, as disclosed in Note 20.

7. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2025	2024
Trade	P 229,412,840	P 143,500,518
Allowance for expected credit losses	(7,093,715)	(1,582,497)
	222,319,125	141,918,021
Advances to officers and employees	126,740	410,452
Others	184,369	689,029
	P 222,630,234	P 143,017,502

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 2025 and 2024, the Company determined that the collectability of certain receivables is uncertain, thus, the Company recognize provision for expected credit losses amounting to P5,511,218 and P1,582,497, respectively, as disclosed in Note 21.

Aging of receivables that are past due but not impaired as of December 31, 2025 and 2024 are as follows:

	2025	2024
1 – 30 days	P 32,151,905	P 77,780,581
31 – 60 days	9,505,309	34,183,260
61 – 90 days	2,934,287	13,638,518
91 – 120 days	1,352,654	5,777,116
Over 120 days	15,498,939	10,481,459
	P 61,443,094	P 141,860,934

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:

	2025	2024
Pharmacy inventory	P 18,050,772	P 25,091,398
Hospital supplies	26,534,700	31,677,447
	P 44,585,472	P 56,768,845

Total cost of pharmacy inventories recognized as expense in 2025, 2024 and 2023 amounted to P107,182,961, P122,897,879 and P41,814,381, respectively, as disclosed in Note 19.

Total cost of hospital supplies recognized as expense in 2025, 2024 and 2023 amounted to P2,885,987, P2,787,386 and P1,937,918, respectively, as disclosed in Note 19.01.

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:

	2025		2024	
Advances to suppliers	P	18,249,619	P	12,359,040
Excess tax credits		-		3,423,402
Advances to contractors		-		1,323,200
	P	18,249,619	P	17,105,642

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

10. PROPERTY AND EQUIPMENT – net

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

	Land	Hospital Building	Hospital Equipment	Transportation Equipment	Furniture and Fixtures	Office Equipment	Janitorial Equipment	Total
January 1, 2024								
Cost	P 55,444,070	P 534,697,578	P 36,579,943	P 1,584,025	P 3,290,565	P 3,783,680	P 127,939	P 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
Movements during 2024								
Balance, January 1, 2024	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 19 and 21)	-	(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	P 55,444,070	P 481,033,418	P 62,114,448	P 1,108,817	P 2,922,438	P 2,578,174	P 21,323	P 605,222,688

[Balance Carry-Forwarded]

[Balance Forwarded]

	Land	Hospital Building	Hospital Equipment	Transportation Equipment	Furniture and Fixtures	Office Equipment	Janitorial Equipment	Total
Movements during 2025								
Balance, January 1	P 55,444,070	P 481,033,418	P 62,114,448	P 1,108,817	P 2,922,438	P 2,578,174	P 21,323	P 605,222,688
Additions	-	3,670,177	66,957,385	833,572	3,650,413	3,576,555	-	78,688,102
Depreciation (Notes 19 and 21)	-	(27,497,321)	(12,979,431)	(476,797)	(3,328,570)	(3,126,374)	(21,323)	(47,429,816)
Balance at December 31, 2025	55,444,070	457,206,274	116,092,402	1,465,592	3,244,281	3,028,355	-	636,480,974
December 31, 2025								
Cost	55,444,070	539,066,555	138,907,438	2,417,597	9,025,297	8,664,293	127,939	753,653,189
Accumulated depreciation	-	(81,860,281)	(22,815,036)	(952,005)	(5,781,016)	(5,635,938)	(127,939)	(117,172,215)
Carrying amount	P 55,444,070	P 457,206,274	P 116,092,402	P 1,465,592	P 3,244,281	P 3,028,355	P -	P 636,480,974

Additions to property and equipment amounting to P78,688,102, P39,457,287, and P35,939,577 were all paid in cash in 2025, 2024 and 2023, respectively.

As of December 31, 2025 and 2024, the land and hospital building amounting to P512,650,344 and P536,477,488, respectively, were used by the Company as collateral for the loan payable, as disclosed in Note 14.

Fully depreciated janitorial equipment amounting to P127,939 and nil is still being used by the Company in 2025 and 2024, respectively.

Depreciation expense is allocated as follows:

	2025		2024	
Direct costs (Note 19)	P	37,578,216	P	30,693,693
Operating expenses (Note 21)		9,851,600		8,388,024
	P	47,429,816	P	39,081,717

In 2025 and 2024, 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 ROU asset are as follows:

	2025		2024	
Balance, January 1				
Cost	P	10,083,381	P	10,083,381
Accumulated depreciation		(6,722,254)		(3,361,127)
Carrying amount		3,361,127		6,722,254
Movements during the year				
Balance, January 1		3,361,127		6,722,254
Depreciation (Note 21)		(3,361,127)		(3,361,127)
Balance, December 31		-		3,361,127
Balance, December 31				
Cost		10,083,381		10,083,381
Accumulated depreciation		(10,083,381)		(6,722,254)
Carrying amount	P	-	P	3,361,127

The details of the lease contract are disclosed in Note 25.

As of December 31, 2025 and 2024, lease liability related to ROU asset amounted to nil and P4,952,015, respectively, as disclosed in Notes 15 and 25.

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

12. INTANGIBLE ASSET – net

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

	2025	2024
Balance, January 1		
Cost	P 1,116,071	P 1,116,071
Accumulated amortization	(446,428)	(223,214)
Carrying amount	669,643	892,857
Movements during the year		
Balance, January 1	669,643	892,857
Amortization (Note 21)	(223,214)	(223,214)
Balance, December 31	446,429	669,643
Balance, December 31		
Cost	1,116,071	1,116,071
Accumulated amortization	(669,642)	(446,428)
Carrying amount	P 446,429	P 669,643

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

The remaining useful life ranges from two (2) to three (3) years and three (3) to four (4) years, respectively, as of December 31, 2025 and 2024.

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:

	2025	2024
Trade	P 76,905,345	P 85,449,514
Accrued expenses	94,030,179	74,479,427
Professional fees payable	38,525,040	27,850,713
Due to government agencies	5,180,470	5,405,420
Others	48,257,321	32,000,997
	P 262,898,355	P 225,186,071

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 nil and P127,403, as of December 31, 2025 and 2024, 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 HMO consultation fee.

14. LOANS PAYABLE

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

The proceeds of the loan shall be used to finance the following: (a) Term Loan I - To partially finance construction of a seven-storey Level 2 hospital building with basement and 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.

Movements of loans payable is as follows:

		2025		2024
Balance, January 1	P	386,200,000	P	398,200,000
Payment		(43,150,000)		(12,000,000)
Balance, December 31	P	343,050,000	P	386,200,000

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

		2025		2024
Non-current portion	P	290,450,000	P	355,050,000
Current portion		52,600,000		31,150,000
	P	343,050,000	P	386,200,000

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:

		2025		2024		2023	
Balance, January 1	P	8,389,122	P	2,246,503	P	4,502,093	
Finance cost incurred		29,834,870		39,793,092		27,712,635	
Finance cost paid		(31,016,497)		(33,650,473)		(29,968,225)	
Balance, December 31	P	7,207,495	P	8,389,122	P	2,246,503	

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, 2025 and 2024, the land and hospital building amounting to P512,650,344 and P536,477,488, 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 2025, 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 breach in financial ratios. Further, the Company pays the amortization without any delays.

15. LEASE LIABILITY

The Company, as lessee, entered into lease contract, as disclosed in Note 25. The following are the amounts of lease liability:

		Minimum Lease Payments		Present Value of Minimum Lease Payments	
		2025	2024	2025	2024
Not later than one (1) year	P	-	P 5,024,682	P -	P 4,952,015
Later than one (1) year but not later than five (5) years		-	-	-	-
			5,024,682		4,952,015
Discount		-	(72,667)	-	-
Present value of minimum lease payments		-	4,952,015	-	4,952,015
Current portion		-	4,952,015	-	4,952,015
Non-current portion	P	-	P -	P -	P -

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 2025 and 2024, the finance cost incurred from lease liability amounted to P328,414 and P255,747, respectively. Finance cost paid amounted to P455,817 and P396,519, in 2025 and 2024, respectively. Accrued finance cost amounted to nil and P127,403, in 2025 and 2024, respectively, as disclosed in Note 13. In 2025 and 2024, lease liability paid amounted to P 5,280,429 and P3,451,396, respectively.

As of December 31, 2025 and 2024, related right-of-use asset amounted to nil and P3,361,127, respectively, as disclosed in Note 11.

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

16. 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:

16.01 Advances from Stockholders

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

16.01.01 Key Management Personnel

Transactions with stockholders are detailed as follows:

	December 31, 2025		December 31, 2024	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
Stockholders				
Advances	P -	P 6,090,000	P 19,218,406	P 11,848,551

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 filed an application with the SEC to convert its advances from stockholders to capital stock amounting to P44,335,200. The application was subsequently approved by the SEC, as disclosed in Note 17.

In 2025, 2024, and 2023, payments made by the Company to its related party amounted to P5,758,551, nil and P152,320,285, respectively.

16.02 Remuneration of Key Management Personnel

The Company's remuneration to its key management personnel amounted to P80,980,279 and P67,019,022, in 2025 and 2024, respectively.

17. ISSUED CAPITAL

The issued capital of the Company are as follows:

	2025	2024
Capital stock	P 132,490,000	P 129,565,200
Additional paid-in capital (Note 17.03)	161,460,000	157,090,000
	P 293,950,000	P 286,655,200

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:

	2025		2024	
Ordinary shares				
Common A	P	46,500,000	P	46,500,000
Common B		46,500,000		44,335,200
Common C		28,330,000		27,570,000
Preference shares		11,160,000		11,160,000
	P	132,490,000	P	129,565,200

17.01 Ordinary Shares

17.01.01 Common "A" Shares

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

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized, issued and fully paid: P50 par value	930,000	P 46,500,000	930,000	P 46,500,000

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

17.01.02 Common "B" Shares

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

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized Common "B", P300 par value	155,000	P 46,500,000	155,000	P 46,500,000
Issued and fully paid:				
Balance, January 1	147,784	P 44,335,200	-	P -
Issuances	7,216	2,164,800	147,784	44,335,200
Balance, December 31	155,000	P 46,500,000	147,784	P 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 P44,335,200, as disclosed in Note 16.

17.01.03 Common "C" Shares

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

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized Common "C", P500 par value	250,000	P 125,000,000	250,000	P 125,000,000
Issued and fully paid:				
Balance, January 1	55,140	P 27,570,000	53,700	P 26,850,000
Issuances	1,520	760,000	1,440	720,000
Balance, December 31	56,660	P 28,330,000	55,140	P 27,570,000

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

17.02 Preferred Shares

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

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized, issued and fully paid: P10 par value	1,116,000	P 11,160,000	1,116,000	P 11,160,000

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

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

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

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

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

The shares are broken down as follows:

Common "A" Shares (Not included in the Offer)	930,000 founder's shares	With par value of P50 per share
Common "C" Shares (To be offered and sold by way of Initial Public Offering)	250,000 common shares	With par value of P500, and equivalent to 3,125 blocks or 80 shares per block at an offer price of P270,000.
Preferred Shares (Not included in the Offer)	1,116,000 founder's shares	With par value of P10 per share
Total	2,296,000 shares	

17.03 Additional Paid-in Capital

Additional paid-in capital amounting to P161,460,000 and P157,090,000 as of December 31, 2025 and 2024, respectively, pertains to amount invested by the Company's stockholders which exceeded the par value of its ordinary shares.

18. REVENUES – net

The Company's revenues are as follows:

	2025	2024	2023
Sale of medical services			
Special service units	P 198,784,486	P 148,791,463	P 71,829,840
Laboratory	190,925,272	138,653,922	75,189,188
Hemodialysis	122,625,759	63,325,042	24,042,857
Radiology	105,520,939	74,324,174	38,754,783
Central sterile supply department	89,208,634	72,259,614	47,668,569
Room and board	46,719,303	44,293,845	30,466,074
Nursing service charge	42,752,277	28,445,811	13,117,360
Pulmonary	37,105,801	30,004,342	14,690,135
Cardiology	29,111,970	23,697,014	10,992,232
PT Rehab	10,980,119	7,181,563	3,385,141
Sonology	10,759,116	8,997,181	5,918,690
EEG/EMG	3,058,504	3,073,055	406,150
Diabetes center	1,979,653	1,281,122	293,440
Dietary	1,345,651	1,723,989	8,593,719
Other hospital fees	18,926,042	13,384,223	8,811,254
	909,803,526	659,436,360	354,159,432
Sale of goods			
Pharmacy	187,772,143	150,867,024	88,796,212
	1,097,575,669	810,303,384	442,955,644
Sales discounts	(106,832,541)	(71,098,888)	(31,774,855)
	P 990,743,128	P 739,204,496	P 411,180,789

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.

19. DIRECT COSTS

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

	2025	2024	2023
Cost of services (Note 19.01)	P 409,474,186	P 328,274,376	P 230,521,096
Cost of goods sold (Note 19.02)	107,182,961	122,897,879	41,814,381
	P 516,657,147	P 451,172,255	P 272,335,477

19.01 Cost of Services

	2025	2024	2023
Salaries and wages (Note 22)	P 112,165,149	P 87,601,408	P 73,927,219
Doctor's fee	57,682,374	48,957,916	28,500,162
Central sterile supply department	47,882,215	62,747,379	43,599,253
Laboratory	42,458,080	29,512,328	21,884,995
Depreciation (Note 10)	37,578,216	30,693,693	27,539,841
Reader's fee	35,207,181	27,152,132	14,428,678
Hemodialysis SSS, PhilHealth and HDMF contributions (Note 22)	12,434,399	8,852,887	5,587,322
Dietary	8,542,248	14,152,744	10,120,880
Management and Consultancy fee	7,536,128	-	-
Radiology	6,413,700	2,247,865	1,311,645
Meals	5,412,682	-	-
Hospital supplies (Note 8)	2,885,987	2,787,386	1,937,918
Instrument fee	1,722,608	920,900	936,090
Pulmonary	1,599,319	1,415,772	747,093
HD incentives	1,569,230	-	-
Neurosleep	1,388,075	347,626	-
	P 409,474,186	P 328,274,376	P 230,521,096

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

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.

19.02 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:

		2025		2024		2023
Inventories, January 1	P	25,091,398	P	15,668,876	P	-
Purchases		100,142,335		132,320,401		57,483,257
Cost of goods available for sale		125,233,733		147,989,277		57,483,257
Inventories, December 31 (Note 8)		(18,050,772)		(25,091,398)		(15,668,876)
	P	107,182,961	P	122,897,879	P	41,814,381

20. OTHER INCOME

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

		2025		2024		2023
Rental (Note 25.02)	P	920,132	P	1,036,209	P	1,331,293
Finance income (Note 6)		1,600,657		694,584		237,488
Others		9,589,855		11,640,250		6,808,997
	P	12,110,644	P	13,371,043	P	8,377,778

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

21. OPERATING EXPENSES

The account is composed of the following expenses:

	2025	2024	2023
Management fee (Note 16)	P 80,980,279	P 67,019,022	P 32,858,050
Transportation and travel	50,227,729	27,549,125	12,236,384
Salaries and wages (Note 22)	43,511,300	31,157,982	27,178,233
Utilities	25,847,018	17,609,692	17,802,577
Insurance	16,167,122	873,809	834,503
Depreciation (Notes 10 and 11)	13,212,727	11,749,151	6,481,968
Janitorial	7,650,723	6,169,904	5,545,284
Security	7,133,814	5,689,435	4,188,133
Repairs and maintenance	6,818,539	7,790,098	2,001,577
Communication	6,392,041	1,659,205	626,844
Representation	6,114,292	1,930,910	713,250
Provision for expected credit losses (Note 7)	5,511,218	1,582,497	-
Bank charge	5,477,661	4,055,189	2,778,355
SSS, PhilHealth and HDMF contributions (Note 22)	4,802,718	3,229,969	2,233,668
Office supplies	4,110,197	3,838,786	3,973,863
Trainings and seminars	2,707,562	3,502,813	841,053
Rentals	2,700,203	1,592,798	585,328
Professional fees	2,538,146	1,534,576	678,956
Taxes and licenses	2,340,353	2,761,095	1,277,947
Marketing	1,848,374	1,536,338	1,221,060
Meeting allowance	722,826	353,500	-
Amortization (Note 12)	223,214	223,214	223,214
Membership fee	183,174	228,221	69,357
Meals	177,411	171,975	258,525
Miscellaneous	15,960,940	10,860,353	6,697,291
	P 313,359,581	P 214,669,657	P 131,305,420

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

22. EMPLOYEE BENEFITS

22.01 Short-term Employee Benefits

Total short-term employee benefits include:

	2025	2024	2023
Direct costs (Note 19)			
Salaries and wages	P 112,165,149	P 87,601,408	P 73,927,219
SSS, PhilHealth and HDMF contributions	12,434,399	8,852,887	5,587,322
	124,599,548	96,454,295	79,514,541
Operating expenses (Note 21)			
Salaries and wages	43,511,300	31,157,982	27,178,233
SSS, PhilHealth and HDMF contributions	4,802,718	3,229,969	2,233,668
	48,314,018	34,387,951	29,411,901
	P 172,913,566	P 130,842,246	P 108,926,442

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

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

	2025	2024	2023
Current tax expense	P 27,562,776	P 6,014,174	P 2,204,784
Deferred tax expense (benefit)	7,871,622	(9,645,050)	-
	P 35,434,398	P (3,630,876)	P 2,204,784

A numerical reconciliation between tax expense (benefit) and the product of accounting profit (loss) multiplied by the tax rate in 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
Accounting profit (loss)	P	142,673,760	P	46,684,788	P	(12,183,170)
Tax expense (benefit) at 25%		35,668,440		11,671,197		(3,045,793)
Tax effects of:						
Non-deductible finance cost		100,040		43,411		14,843
Unrecognized DTA from NOLCO		-		-		3,025,112
Unrecognized DTA from MCIT		-		-		2,204,784
Unrecognized DTA due to PFRS 16		63,939		-		37,333
Non-deductible donation		-		-		27,877
Non-deductible expenses		2,143		-		-
Finance income subjected to final tax		(400,164)		(173,646)		(59,372)
Recognition of deferred tax assets		-		(3,231,033)		-
Application of NOLCO		-		(11,940,805)		-
	P	35,434,398	P	(3,630,876)	P	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	P 33,187,571	P 33,187,571	P -	P -	P -	2025
2023	12,100,448	8,144,786	3,955,662	-	-	2026
	P 45,288,019	P 41,332,357	P 3,955,662	P -	P -	

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	P 4,377,308	P 4,377,308	P -	P -	P -	2025
2021	2,053,556	2,053,556	-	-	-	2026
	P 6,430,864	P 6,430,864	P -	P -	P -	

The Bureau of Internal Revenue (BIR) has recently issued Revenue Regulations (RR) No. 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Details of MCIT are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied		Expiry Date
2023	P	2,204,784	P	-	P	2,204,784	P	-	P	-		2026
2024		6,014,174		-		6,014,174		-		-		2027
	P	8,218,958	P	-	P	8,218,958	P	-	P	-		

24. DEFERRED TAX ASSETS

Details of deferred taxes are as follows:

		NOLCO		MCIT		Effect of PFRS 16		Allowance for Expected Credit Losses		Total
Balance at January 1, 2024	P	12,929,721	P	2,204,784	P	37,333	P	-	P	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
Recognized in profit or loss		(988,916)		(8,218,958)		(41,552)		1,377,804		(7,871,622)
Balance at December 31, 2025	P	-	P	-	P	-	P	1,773,428	P	1,773,428

25. LEASE AGREEMENT

25.01 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.

25.01.01 Project 45 Ventures Corporation

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

Security deposit amounted to P501,226 and P614,843 as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the carrying amount of ROU asset amounted to nil and P3,361,127, respectively, as disclosed in Note 11. As of December 31, 2025 and 2024, the carrying amount of lease liability is nil and P4,952,015, respectively, as disclosed in Note 15.

25.02 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, 2023 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 P920,132, P1,036,209 and P1,331,293, in 2025, 2024 and 2023, respectively, as disclosed in Note 20.

26. EARNINGS (LOSS) PER SHARE

The Company's results of operation in 2025, 2024 and 2023 amounted to a profit and (loss) of P107,239,362, P50,315,664 and P(14,387,954). Accordingly, the Company's earnings (loss) per share in December 31, 2025, 2024 and 2023 amounted to P94.13, P49.83 and P(14.63), respectively.

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

	2025	2024	2023
Profit (loss) used in the calculation of total loss per share	P 107,239,362	P 50,315,664	P (14,387,954)
Weighted average number of ordinary shares for the purpose of loss per share	1,139,255	1,009,771	983,700

The weighted average number of ordinary shares for 2025, 2024 and 2023 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, 2025				
Outstanding shares at the beginning and end of the period	1,132,924	12/12	1,132,924	1,132,924
Issuance of shares during the period and outstanding at the end of the period	7,216	8/12	4,811	4,811
Issuance of shares during the period and outstanding at the end of the period	1,520	12/12	1,520	1,520
December 31, 2024				
Outstanding shares at the beginning and end of the period	983,700	12/12	983,700	983,700
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	930,500	12/12	930,500	930,500
Issuance of shares during the period and outstanding at the end of the period	53,200	12/12	53,200	53,200

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, 2025, 2024 and 2023.

27. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of December 31, 2025 and 2024, respectively, are presented below:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P 84,149,056	84,149,056	P 71,128,693	P 71,128,693
Trade and other receivables	222,630,234	225,630,234	143,017,502	143,017,502
Security deposit	501,226	501,226	614,843	614,843
	P 307,280,516	307,280,516	P 214,761,038	P 214,761,038
Financial Liabilities				
Trade and other payables	P 257,717,885	257,717,885	P 219,780,651	P 219,780,651
Accrued finance cost	7,207,495	7,207,495	8,389,122	8,389,122
Advances from stockholders	6,090,000	6,090,000	11,848,551	11,848,551
Loans payable	343,050,000	343,050,000	386,200,000	386,200,000
Lease liability	-	-	4,952,015	4,952,015
	P 614,065,380	614,065,380	P 631,170,339	P 631,170,339

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

- Due to the short-term nature of cash and cash equivalents, trade and other receivables, security deposit, trade and other payables (except due to government agencies), accrued finance cost, and advances from stockholders, 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.

28. 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.

28.01 Market Risk Management

28.01.01 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, 2025, 2024 and 2023 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.

28.02 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, 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:

		2025		2024
Cash in banks and cash equivalents	P	81,396,499	P	69,515,106
Trade and other receivables		222,630,234		143,017,502
Security deposit		501,226		614,843
	P	304,527,959	P	213,147,451

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, 2025						
Cash in banks and cash equivalents	0.00%	0.00% to 98.38%	P	81,396,499	P	-
Trade and other receivables	0.00% to 3.09%	100%		229,723,949		7,093,715
Security deposit	0.00%	100%		501,226		-
			P	311,621,674	P	7,093,715
December 31, 2024						
Cash in banks and cash equivalents	0.00%	0.00% to 94.40%	P	69,515,106	P	-
Trade and other receivables	0.00% to 1.09%	100.00%		144,599,999		1,582,497
Security deposit	0.00%	100.00%		614,843		-
			P	214,729,948	P	1,582,497

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 2025 and 2024.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 98.38% and be 0.00% to 94.40% in 2025 and 2024, 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 3.09% and 0.00% to 1.09% for its clients in 2025 and 2024, respectively.

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 0.16% and 0.29% of total financial assets in 2025 and 2024, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

28.03 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, 2025						
Trade and other payables		P -	P 257,717,885	P -	P -	P 257,717,885
Advances from stockholders		6,090,000	-	-	-	6,090,000
Accrued finance cost		-	7,207,495	-	-	7,207,495
Loans payable	5.25% - 5.50%	-	52,600,000	-	290,450,000	343,050,000
		P 6,090,000	P 317,525,380	P -	P 290,450,000	P 614,065,380
December 31, 2024						
Trade and other payables		P -	P 219,780,651	P -	P -	P 219,780,651
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
		P 11,848,551	P 264,344,455	P 263,000,000	P 92,050,000	P 631,243,006

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, 2025					
Cash on hand	- P	2,752,557 P	- P	- P	2,752,557
Cash in banks	floating rates	68,034,973	-	-	68,034,973
Cash equivalents	4.55% to 5.75%	-	13,361,526	-	13,361,526
Trade and other receivables	-	-	229,723,949	-	229,723,949
Security deposit	-	-	-	501,226	501,226
		70,787,530	243,085,475	501,226	314,374,231
December 31, 2024					
Cash on hand	- P	1,613,587 P	- P	- P	1,613,587
Cash in banks	floating rates	56,706,257	-	-	56,706,257
Cash equivalents	5.80%	-	12,808,849	-	12,808,849
Trade and other receivables	-	-	144,599,999	-	144,599,999
Security deposit	-	-	-	614,843	614,843
		P 58,319,844 P	P 157,408,848 P	P 614,843 P	P 216,343,535

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.

29. 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:

	2025		2024	
Debt	P	623,324,002	P	636,575,959
Cash and cash equivalents		(84,149,056)		(71,128,693)
Net debt		539,174,946		565,447,266
Equity		385,492,438		270,958,074
Net debt to equity ratio		1.40:1		2.09:1

30. 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 P44,335,200, as disclosed in Notes 16 and 17.

31. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

	2025		2024	
Balance, January 1	P	411,517,091	P	446,083,434
Changes from financing cash flows:				
Finance cost incurred		30,163,284		40,048,839
Advances received from stockholders		-		19,218,406
Payments of advances from stockholders		(5,758,551)		-
Finance cost paid on lease liability		(455,817)		(396,519)
Payment of lease liability		(5,280,429)		(3,451,396)
Payment of loans		(43,150,000)		(12,000,000)
Finance cost paid on loans		(31,016,496)		(33,650,473)
Conversion of advances from stockholders to equity		-		(44,335,200)
Balance, December 31	P	356,019,082	P	411,517,091

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on March 25, 2026.

33. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

33.01 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:

33.01.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2025 are as follows:

33.01.01.01 Output VAT

The Company is VAT-registered with an output tax declaration of ₱1,374,180 for the year based on the amount reflected in the revenue.

The Company has zero-rated/ exempt sales amounting to ₱989,288,842 pursuant to the provisions of the National Internal Revenue Code, as amended by RA 9337.

33.01.01.02 Input VAT

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

Balance, January 1	P	-
Current year's domestic purchases/payments for:		
Domestic Purchases of goods other than capital goods		32,933,175
Purchases of capital goods not exceeding 1M		99,429
Domestic purchases of services		2,835,613
Total available input VAT		35,868,217
Claims for tax credit/refund and other adjustments		(35,868,217)
Balance, December 31	P	-

33.01.01.03 Other Taxes and Licenses

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

Documentary stamp tax	P	760,000
Real property tax		10,543
Others		1,569,810
	P	2,340,353

33.01.01.04 Withholding Taxes

Expanded withholding taxes	P	32,046,355
Withholding tax on compensation and benefits		793,250
	P	32,839,605

33.02 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:

33.02.01 Revenue

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

Sale of services	P	909,803,526
Sale of goods		187,772,143
		1,097,575,669
Sales discounts		(106,832,541)
	P	990,743,128

33.02.02 Direct Cost

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

Cost of services	P	409,474,186
Cost of goods sold		107,182,961
	P	516,657,147

33.02.02.01 Cost of Services

Salaries and wages	P	112,165,149
Doctor's fee		57,682,374
Central sterile supply department		47,882,215
Laboratory		42,458,080
Depreciation		37,578,216
Reader's fee		35,207,181
Hemodialysis		26,996,595
SSS, PhilHealth and HDMF contributions		12,434,399
Dietary		8,542,248
Management and consultancy fee		7,536,128
Radiology		6,413,700
Meals		5,412,682
Hospital supplies		2,885,987
Instrument fee		1,722,608
Pulmonary		1,599,319
HD incentives		1,569,230
Neurosleap		1,388,075
	P	409,474,186

33.02.02.02 Cost of Goods Sold

Inventories, January 1	P	25,091,398
Purchases		100,142,335
Cost of goods available for sale		125,233,733
Inventories, December 31		(18,050,772)
	P	107,182,961

33.02.03 Taxable Other Income

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

Rental	P	920,132
Others		9,589,855
	P	10,509,987

33.02.04 Itemized Deductions

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

Management fee	P	80,980,279
Transportation and travel		50,227,729
Salaries and wages		43,511,300
Finance cost on loans		29,434,705
Utilities		25,847,018
Insurance		16,167,122
Depreciation		9,851,600
Janitorial		7,650,723
Security		7,133,814
Repairs and maintenance		6,818,539
Communication		6,392,041
Rentals		6,300,203
Representation		6,114,292
Bank charge		5,477,661
SSS, PhilHealth and HDMF contributions		4,802,718
Office supplies		4,110,197
Trainings and seminars		2,707,562
Professional fees		2,538,146
Taxes and licenses		2,340,353
Marketing		1,848,374
Meeting allowance		722,826
Amortization		223,214
Membership fee		183,174
Meals		177,411
Miscellaneous		15,952,369
	P	337,513,370

33.02.05 Application of NOLCO and MCIT

In 2025, the Company applied NOLCO and MCIT amounting to P3,955,662 and P8,218,958, respectively.

33.02.06 Reconciliation on Effect of PFRS 16

	Per PFRS	Effect of Adoption of PFRS 16	Per Tax Code
Depreciation expense from:			
<i>Property and equipment</i>	P 47,429,816	-	47,429,816
<i>Right-of-use assets</i>	3,361,127	(3,361,127)	-
Finance cost from			
<i>Lease liabilities</i>	328,414	(328,414)	-
Rental paid	2,700,203	3,600,000	6,300,203

33.02.07 Reconciliation of Limit on Finance Cost Deductibility

	Deductible amount per PFRS	Unallowed deductible per BIR limit	Deductible amount per ITR
Finance cost	P 29,834,869	(400,164)	29,434,705

33.03 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.

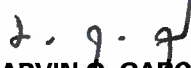
**INDEPENDENT AUDITORS' REPORT TO ACCOMPANY
INCOME TAX RETURN**

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.** *(Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)* for the years ended December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 on which we have rendered the attached report dated March 25, 2026.

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 (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013 - AF
Valid from August 28, 2025 to August 27, 2030


MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
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 Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

March 25, 2026

BOA/PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Group A Accredited

PKF R.S. Bernaldo & Associates is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).



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, 2026 on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** as of and for the year ended December 31, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)** taken as a whole. The information in the supplementary schedules as of and for the year ended December 31, 2025 which is not a required part of the financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **OPTIMUM QUALITY HEALTH VENTURES, INC. (Doing Business Under the Name and Style of CAMARIN DOCTORS HOSPITAL)**. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until November 19, 2026

SEC Group A Accreditation No. 0300-SEC

Valid until 2024 audit period (extended until 2025 audit period)

BSP Group B Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2026

Valid from February 2, 2026 until February 1, 2029

IC Group A Accreditation No. 0300-IC

Valid until 2026 audit period

CDA CEA No. 013 - AF

Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA

Partner

CPA Certificate No. 102934

BOA/PRC No. 0300/P-003

Valid until November 19, 2026

SEC Group A Accreditation No. 102934-SEC

Valid until 2025 audit period

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

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March 25, 2026

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PKF R.S. Bernaldo & Associates is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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, 2025

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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, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)	(21,223,714)
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	(21,223,714)
Add/Less: Net Income (Loss) for the current year	107,239,362
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Unrealized fair value gain of investment property	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Realized fair value gain of investment property	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Reversal of previously recorded fair value gain of Investment Property	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	
Sub-total	-
Adjusted Net Income/Loss	86,015,648
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	(7,871,622)
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	(7,871,622)
Total Retained Earnings, end of the reporting period available for dividend	78,144,026

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, 2025

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, 2025

Name of issuing entity and association of each issue <i>(i)</i>	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position <i>(ii)</i>	Value based on market quotations at end of reporting period <i>(iii)</i>	Income received or accrued
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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, 2025**

Name and Designation of Debtor <i>(i)</i>	Balance at beginning of period	Additions	Amounts Collected <i>(ii)</i>	Amounts Written-off <i>(iii)</i>	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, 2025**

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, 2025

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Hospital Information System	669,643.00	-	(223,214.00)	-	-	446,429.00

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, 2025

Title of issue and type of obligation <i>(i)</i>	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position <i>(ii)</i>	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position <i>(iii)</i>
Loans payable	N/A	52,600,000	290,450,000

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, 2025

Name of Related Parties <i>(i)</i>	Balance at beginning of period	Balance at end of period <i>(ii)</i>
Member of Key Management Personnel	11,848,551.00	6,090,000

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, 2025

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>(i)</i>	Amount owned by person of which statement is filed	Nature of guarantee <i>(ii)</i>
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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, 2025

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	-	155,000	30,000	-
Common C - P500 par value	250,000	28,330,000	-	56,660	-	-
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 HOSPITAL)
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
A. SHORT-TERM LIQUIDITY RATIO		
CURRENT RATIO	1.11	1.02
<u>Current Assets</u>	370,115,609	288,020,682
Current Liabilities	332,874,002	281,525,759
WORKING CAPITAL TO ASSETS	0.04	0.01
<u>(Current Assets - Current Liabilities)</u>	37,241,607	6,494,923
Total Assets	1,008,816,440	907,534,033
B. LONG-TERM SOLVENCY		
ASSET TO EQUITY	2.62	2.35
<u>Total Asset</u>	1,008,816,440	636,575,759
Shareholders' Equity	385,492,438	270,958,274
DEBT TO EQUITY	1.62	2.35
<u>Total Liabilities</u>	623,324,002	636,575,759
Shareholders' Equity	385,492,438	270,958,274
LONG-TERM DEBT TO EQUITY	0.89	1.43
<u>Long-Term Debt</u>	343,050,000	386,200,000
Shareholders' Equity	385,492,438	270,958,274
FIXED ASSETS TO EQUITY	1.65	2.23
<u>(Fixed Assets - Accumulated Depreciation)</u>	636,480,974	605,222,688
Shareholders' Equity	385,492,438	270,958,274
CREDITORS EQUITY TO TOTAL ASSETS	0.62	0.70
<u>Total Liabilities</u>	623,324,002	636,575,759
Total Assets	1,008,816,440	907,534,033
FIXED ASSETS TO LONG-TERM DEBT	1.86	1.57
<u>(Fixed Assets - Accumulated Depreciation)</u>	636,480,974	605,222,688
Long-Term Debt	343,050,000	386,200,000

C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	0.08	0.04
<u>Net Income</u>	107,239,364	50,315,664
Average Total Assets	1,411,942,253	1,312,805,126
RATE OF RETURN ON EQUITY	0.21	0.14
<u>Net Income</u>	107,239,364	50,315,664
Average Stockholders' Equity	520,971,575	356,681,979
D. PROFITABILITY RATIOS		
GROSS PROFIT RATIO	0.48	0.39
<u>Gross Income</u>	474,085,982	288,032,241
Revenues	990,743,128	739,204,496
OPERATING INCOME TO REVENUES	0.49	0.41
<u>Income from Operations</u>	486,196,626	301,403,284
Revenues	990,743,128	739,204,496
PRETAX INCOME TO REVENUES	0.14	0.06
<u>Pretax Income</u>	142,673,762	46,684,788
Revenues	990,743,128	739,204,496
NET INCOME TO REVENUE	0.11	0.07
<u>Net Income</u>	107,239,364	50,315,664
Revenues	990,743,128	739,204,496
E. INTEREST COVERAGE RATIO		
INTEREST COVERAGE RATIO	15.12	6.53
<u>Earnings Before Interest and Tax</u>	456,033,342	261,354,445
Interest Expense	30,163,284	40,048,839

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, 2025

	2025	2024
Total Audit Fees <i>(Section 2.1 a)</i>	400,000.00	300,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees <i>(Section 2.1 b)</i>	-	-
TOTAL AUDIT AND NON-AUDIT FEES	400,000.00	300,000.00

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

	2025	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	-	-