



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** CS201738919

**Company Name:** OPTIMUM QUALITY HEALTH VENTURES, INC. DOING BUSINESS UNDER THE NAME AND STYLE OF CAMARIN DOCTORS HOSPITAL

**Industry Classification:** M85100

**Company Type:** Stock Corporation

## Document Information

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

***Financial Statements  
As of March 31, 2026 (Unaudited)  
and  
December 31, 2025 (Audited)***

**SECURITIES AND EXCHANGE COMMISSION**

SEC FORM 17-Q  
(1st Quarter)

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC  
RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended **March 31, 2026**
2. SEC Identification Number **CS 201738919**      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. Province, Country or other jurisdiction of incorporation or organization **NCR, Philippines**
6. Industry Classification  Code: (SEC Use Only)
7. **1Camarin Road, Barangay 172, Camarin Caloocan City** **1421**  
Address of principal office Postal Code
8. **(02) 82605952 / (63)9177040822**  
Issuer's telephone number, including area code
9. **N/A**  
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 Subscribed/Issued and Outstanding
<b>Preferred Shares</b>	<b>1,116,000 Shares</b>
<b>Common Shares A</b>	<b>930,000 Shares</b>
<b>Common Shares C</b>	<b>56,660 Shares</b>

11. Are any or all of these securities listed on a Stock Exchange?  
Yes [ ]    No [ X ]  
  
If yes, state the name of such stock exchange and the classes of securities listed therein:  
\_\_\_\_\_

12. Check whether the issuer:
  - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);  
Yes [ X ]      No [ ]
  - (b) has been subject to such filing requirements for the past ninety (90) days.  
Yes [ X ]      No [ ]

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OPTIMUM QUALITY HEALTH VENTURES INC  
(Doing Business Under the name and style of CAMARIN DOCTORS HOSPITAL  
Statements of Financial Position  
As at March 31, 2026, and December 31, 2025  
(All amounts in Philippine peso)

	<b>31-Mar</b> 2026 (Unaudited)	<b>31-Dec</b> 2025 (Audited)
<b>ASSETS</b>		
<b>Currents assets</b>		
Cash and Equivalents	200,742,280	84,149,056
Trade and Other receivables, net	195,578,047	222,630,234
Security Deposit	456,226	501,226
Inventories, net	41,466,295	44,585,472
Other Current Asset	19,289,488	18,249,619
<b>Total Current Assets</b>	<b>457,532,335</b>	<b>370,115,607</b>
<b>Non-Current Assets</b>		
Property and Equipment -net	628,240,597	636,480,974
Intangible Assets -net	390,626	446,429
Deferred Tax Assets	1,773,428	1,773,428
	<b>630,404,651</b>	<b>638,700,831</b>
<b>TOTAL ASSETS</b>	<b>1,087,936,986</b>	<b>1,008,816,438</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	326,494,965	262,898,355
Accrued finance cost	5,997,548	7,207,495
Advances from stockholders	6,208,000	6,090,000
Loans payable	39,450,000	52,600,000
Income Tax Payable	9,961,009	4,078,152
<b>Total Current liabilities</b>	<b>388,111,522</b>	<b>332,874,002</b>
<b>Non-Current liabilities</b>		
Loans payable - net of current portion	284,450,000	290,450,000
<b>TOTAL LIABILITIES</b>	<b>672,561,522</b>	<b>623,324,002</b>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	132,490,000	132,490,000
Additional Paid - In- Capital	161,460,000	161,460,000
Retained Earnings	121,425,464	91,542,436
<b>Total Stockholders' Equity</b>	<b>415,375,464</b>	<b>385,492,436</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1,087,936,986</b>	<b>1,008,816,438</b>

**OPTIMUM QUALITY HEALTH VENTURES INC**  
**(Doing Business Under the Name and style of CAMARIN DOCTORS HOSPITAL)**

**STATEMENTS OF INCOME**

**For the period March 31, 2026 and 2025**

**(All amounts in Philippine Peso)**

	<b>March 31,2026</b>	<b>March 31,2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
REVENUE -net	287,054,252	240,736,560
DIRECT COSTS	(151,690,599)	(114,637,058)
GROSS INCOME	135,363,653	126,099,502
OTHER INCOME	1,929,241	4,023,951
INCOME FROM OPERATION	137,292,893	130,123,452
OPERATING EXPENSES	(91,652,683)	(55,435,454)
FINANCE COSTS	(5,796,175)	(8,139,979)
INCOME BEFORE TAX	39,844,035	66,548,020
INCOME TAX EXPENSE	9,961,009	16,637,005
NET INCOME	29,883,026	49,911,015
weighted average number of shares	26.23	52.20

**OPTIMUM QUALITY HEALTH VENTURES, INC**  
**(Doing Business Under the Name and style of CAMARIN DOCTORS HOSPITAL)**  
**Cash Flow Statement**  
**For the period ending March 31, 2026, and 2025**  
**(All amounts in Philippine Peso)**

	31-Mar 2026 (Unaudited)	31-Mar 2025 (Unaudited)
<b>Cash flows from operating activities</b>		
Net Income/(Loss)	39,844,035	66,548,020
Adjustments to reconcile net income to net income to net cash		
Depreciation	13,508,749	11,860,696
<b>Operating Cash Flows before changes in working capital</b>	<b>53,352,785</b>	<b>78,408,716</b>
Trade and other receivables	27,052,187	(8,428,211)
Inventory	3,119,177	3,734,398
Other current assets	(1,039,869)	(14,766,508)
Right-of-use asset - net		840,282
Intangible asset - net	55,803	55,804
Lease liability -		(535,715)
Income Tax Payable	5,882,857	16,637,005
Trade and other payables	53,635,601	(35,472,670)
<b>Cash Generated from operations</b>	<b>142,058,541</b>	<b>40,473,101</b>
<b>Cash Flows from investing activities</b>		
Property and Equipment	(5,268,371)	(16,950,847)
Security Deposit	45,000	
<b>Net cash used in investing activities</b>	<b>(5,223,371)</b>	<b>(16,950,847)</b>
Cash flows from financing activities		
Accrued finance cost	(1,209,947)	165,378
Advances from stockholders	118,000	1,849,557
Loans payable	(6,000,000)	(6,000,000)
Loans payable - net of current portion	(13,150,000)	
Capital Stock		
Additional paid in capital		
<b>Net cash used in financing activities</b>	<b>(20,241,947)</b>	<b>(3,985,065)</b>
<b>Net Increase/(Decrease) in cash</b>	<b>116,593,223</b>	<b>19,537,189</b>
<b>Cash beginning of the year</b>	<b>84,149,056</b>	<b>71,128,693</b>
<b>Cash end of the period</b>	<b>200,742,280</b>	<b>90,665,882</b>

**OPTIMUM QUALITY HEALTH VENTURES, INC**  
**(Doing Business Under the Name and style of CAMARIN DOCTORS HOSPITAL)**  
**Unaudited Statement of changes in Equity**  
**For each of three- months period ended March 31, 2026, and year end 2025**

	Capital Stock	Additional Paid -in- Capital	Income / (Deficit)	Total
<b>Balance at December 31, 2024</b>	129,565,200	157,090,000	(15,696,926)	270,958,274
Issuance of common shares	2,924,800			2,924,800
Additional paid - in - capital		4,370,000		4,370,000
Net Income			107,239,362	107,239,363
<b>Balance at December 31, 2025</b>	132,490,000	161,460,000	91,542,436	385,492,437
Issuance of common shares				-
Additional paid - in - capital				-
Net Income			29,883,026	29,883,026
<b>As of March 31, 2026 (Unaudited)</b>	132,490,000	161,460,000	121,425,464	415,375,464

## **Notes to the Financial Statements**

As of March 31, 2026 (Unaudited) and December 31, 2025 (Audited)

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

### **Note 1- Business Information**

#### **1.1 General 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.

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 corporation was granted the permit to offer securities for sale by the Securities and Exchange Commission. The 250,000 Common Shares C or the "Offer Shares" is equivalent to 3,125 blocks (80 shares per block) for issuance to the public at an offer price of Php270,000.00 per block

The Hospital has 545 employees as at March 31, 2026.

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

#### **1.2 Status of Operations**

The Hospital obtained its license to operate from Health Facilities and Services Regulatory Bureau of the Department of Health on November 28, 2022. The Hospital shall allow medical and dental practitioners, who are shareholders, to practice their profession within the medical facilities.

The company is now on its 4<sup>th</sup> year operation and continuously attaining its mission and vision to ultimately serve the public in regards to healthcare.

Management believes that all these business operations will generate sufficient and sustainable income for the Hospital.

## Note 2 - Cash

Cash consists of:

	<b>March 31, 2026,</b>	<b>December 31, 2025</b>
Cash in Banks	200,742,280	84,149,056

Cash in banks represent demand deposit accounts in various universal banks that earn interest at prevailing bank deposit rates.

Interest Income earned from cash deposits in banks for the period ending March 31, 2026, amounted to P406,565 (December 31, 2025 – P1,600,657)

## Note 3 - Trade and other receivables-net

Receivables

As of the 3<sup>rd</sup> month of 2026 and year end ended December 31, 2025, the company's receivables amounting to P195,886,827 and 222,630,234 respectively, mostly from Health Maintenance Organization (HMO) and Philippine Health Insurance Corporation (PHIC).

The decrease in receivables is primarily attributable to the collection of Philhealth receivables. The company's consistent review and follow-up of claims with the agency resulted in a substantial increase in collections. In addition, the company strengthened its policies regarding the timely filing of Philhealth claims.

The Hospital's receivables are all denominated in Philippine Peso.

## Note 4 - Inventories

Inventories from pharmacy, CSSD, Dietary, Laboratory supplies amount to P41,466,295 and 44,585,472 as of March 31, 2026, and December 31, 2025, respectively.

The inventory balance remained at a reasonable level during the period, reflecting the company's ongoing monitoring and management of stock levels. Regular inventory reviews and replenishment practices helped ensure adequate supply while minimizing excess or obsolete items.

No provision for inventory losses has been recognized for the three months period ending March 31, 2026, and December 31, 2025.

## Note 5 - Other Current Assets

Other Current Assets Consists of:

	<b>March 31, 2026</b>
Advances to Suppliers	13,571,054
Creditable withholding tax	5,364,965
Input Tax – Current Portion	44,688
<b>Total</b>	<b>19,289,488</b>

The hospital input VAT arose from building construction and purchase of various medical equipment, furniture, goods and services.

Excess Input Tax – arises when input VAT exceeds output VAT for a given period. This is carried forward and applied against future output VAT liabilities in accordance with Philippines tax regulation under the National Internal Revenue Code of the Philippines and related issuances of the Bureau of Internal Revenue.

In regard to hospital operations, the only hospital income subject to Output Tax is sales from over-the-counter transactions on Pharmacy Sales and the rest of the hospital income are non-vatable or exempt sales from VAT.

## Note 6 - Property And Equipment - Net

### PROPERTY AND EQUIPMENT

	Land	Hospital Building/Improvement	Hospital Equipment	Transportation Equipment	Furniture and Fixtures	Office Equipment	Janitorial Equipment	Total
January 1, 2022								
Cost	55,444,070.00	525,296,930.00	15,249,875.00	1,584,025.00	1,147,706.00	717,678.00	127,939.00	599,568,223.00
Accumulated Depreciation	-	-	-	-	-	-	-	-
Carrying Amount	₱55,444,070.00	₱525,296,930.00	₱15,249,875.00	₱1,584,025.00	₱1,147,706.00	₱717,678.00	₱127,939.00	₱599,568,223.00
<b>Movements during 2023</b>								
Balance, January 1	55,444,070.00	525,296,930.00	15,249,875.00	1,584,025.00	1,147,706.00	717,678.00	127,939.00	599,568,223.00
Additions	-	9,400,648.00	21,330,068.00	-	2,142,859.00	3,066,002.00	-	35,939,577.00
Depreciation 2023	-	(27,097,664.00)	(2,864,167.00)	(158,403.00)	(250,286.00)	(247,516.00)	(42,646.00)	(30,660,682.00)
Balance at December 31, 2023	55,444,070.00	507,599,914.00	33,715,776.00	1,425,622.00	3,040,279.00	3,536,164.00	85,293.00	604,847,118.00
December 31, 2023								
Cost	55,444,070.00	534,697,578.00	36,579,943.00	1,584,025.00	3,290,565.00	3,783,680.00	127,939.00	635,507,800.00
Accumulated Depreciation	-	(27,097,664.00)	(2,864,167.00)	(158,403.00)	(250,286.00)	(247,516.00)	(42,646.00)	(30,660,682.00)
Carrying Amount	55,444,070.00	507,599,914.00	33,715,776.00	1,425,622.00	3,040,279.00	3,536,164.00	85,293.00	604,847,118.00
<b>Movements during 2024</b>								
Balance, January 1	55,444,070.00	507,599,914.00	33,715,776.00	1,425,622.00	3,040,279.00	3,536,164.00	85,293.00	604,847,118.00
Additions	-	698,800.00	35,370,110.00	-	2,084,319.00	1,304,058.00	-	39,457,287.00
Depreciation 2024	-	(27,265,296.00)	(6,971,438.00)	(316,805.00)	(2,202,160.00)	(2,262,048.00)	(63,970.00)	(39,081,717.00)
Balance at December 31, 2024	55,444,070.00	481,033,418.00	62,114,448.00	1,108,817.00	2,922,438.00	2,578,174.00	21,323.00	605,222,688.00
December 31, 2024								
Cost	55,444,070.00	535,396,378.00	71,950,053.00	1,584,025.00	5,374,884.00	5,087,738.00	127,939.00	674,965,087.00
Accumulated Depreciation	-	(54,362,960.00)	(9,835,605.00)	(475,208.00)	(2,452,446.00)	(2,509,564.00)	(106,616.00)	(69,742,399.00)
Carrying Amount	55,444,070.00	481,033,418.00	62,114,448.00	1,108,817.00	2,922,438.00	2,578,174.00	21,323.00	605,222,688.00
<b>Movements during 2025</b>								
Balance, December 31	55,444,070	539,066,555	138,907,439	2,417,596	9,025,297	8,664,293	127,939	753,653,188
Additions (1st Q 2026)	-	714,286	3,196,036	-	572,992	729,255	-	5,212,569
Depreciation (1st Q 2026)	-	(6,919,753)	(5,017,283)	(120,880)	(748,873)	(646,157)	-	(13,452,946)
Balance at March 31, 2026	55,444,070	532,861,087	137,086,192	2,296,716	8,849,416	8,747,391	127,939	745,412,812
March 31, 2026								
Cost	55,444,070	539,780,840	142,103,475	2,417,596	9,598,289	9,393,548	127,939	758,865,757
Accumulated Depreciation	-	(88,780,034)	(27,832,319)	(1,072,884)	(6,529,888)	(6,282,095)	(127,939)	(130,625,160)
Carrying Amount	55,444,070	451,000,806	114,271,155	1,344,712	3,068,401	3,111,453	-	628,240,597

	Intang. Ible Asset	Total
January 1, 2022		
Cost	1,116,071.00	1,116,071.00
Accumulated Depreciation	-	-
Carrying Amount	1,116,071.00	1,116,071.00
<b>Movements during 2023</b>		
Balance, January 1	1,116,071.00	1,116,071.00
Additions	-	-
Depreciation 2023	(223,214.00)	(223,214.00)
Balance at December 31, 2023	892,857.00	892,857.00
December 31, 2023		
Cost	1,116,071.00	1,116,071.00
Accumulated Depreciation	(223,214.00)	(223,214.00)
Carrying Amount	892,857.00	892,857.00

	Intang. Ible Asset	Total
<b>Movements during 2024</b>		
Balance, January 1	892,857.00	892,857.00
Additions	-	-
Depreciation 2024	(223,214.00)	(223,214.00)
Balance at December 31, 2024	669,643.00	669,643.00
December 31, 2024		
Cost	1,116,071.00	1,116,071.00
Accumulated Depreciation	(446,428.00)	(446,428.00)
Carrying Amount	669,643.00	669,643.00

	Intang. Ible Asset	Total
<b>Movements during 2025</b>		
Balance, January 1	669,643.00	669,643.00
Additions (1st Q, 2025)	-	-
Depreciation (1st Q, 2025)	(55,804.00)	(55,804.00)
Balance at March 31, 2025	613,839.00	613,839.00
March 31, 2025		
Cost	1,116,071.00	1,116,071.00
Accumulated Depreciation	(502,232.00)	(502,232.00)
Carrying Amount	613,839.00	613,839.00

	Intang. Ible Asset	Total
<b>Movements during 2025</b>		
Balance, March 31	613,839.00	613,839.00
Additions (2nd Q, 2025)	-	-
Depreciation (2nd Q, 2025)	(55,804.00)	(55,804.00)
Balance at March 31, 2025	1,060,267.00	1,060,267.00
June 30, 2025		
Cost	1,116,071.00	1,116,071.00
Accumulated Depreciation	(558,036.00)	(558,036.00)
Carrying Amount	558,036.00	558,036.00

	Intang. Ible Asset	Total
<b>Movements during 2025</b>		
Balance, June 30	1,116,071	1,116,071
Additions (3rd Q, 2025)	-	-
Depreciation (3rd Q, 2025)	(55,804)	(55,804)
Balance at June 31, 2025	1,060,267	1,060,267
June 30, 2025		
Cost	1,116,071	1,116,071
Accumulated Depreciation	(513,840)	(513,840)
Carrying Amount	502,231	502,231

	Intang. Ible Asset	Total
<b>Movements during 2025</b>		
Balance, September 30	1,060,267	1,060,267
Additions (4th Q, 2025)	-	-
Depreciation (4th Q, 2025)	(55,804)	(55,804)
Balance at December 31, 2025	1,004,463	1,004,463
December 31, 2025		
Cost	1,060,267	1,060,267
Accumulated Depreciation	(55,804)	(55,804)
Carrying Amount	1,004,463	1,004,463

	Intang. Ible Asset	Total
<b>Movements during 2025</b>		
Balance, December 31	1,004,463	1,004,463
Additions (1st Q, 2026)	-	-
Depreciation (1st Q, 2026)	(55,804)	(55,804)
Balance at March 31, 2026	1,004,463	1,004,463
March 31, 2026		
Cost	1,060,267	1,060,267
Accumulated Depreciation	(111,608)	(111,608)
Carrying Amount	948,659	948,659

**Property and equipment consist of:**

Land / Office Equipment/ furniture and Fixtures and Hospital Equipment amounting to P628,240,597

Depreciation expense charge to profit and loss on March 31, 2026: P13,508,749

*Critical accounting estimate and assumption: Useful lives of property and equipment*

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

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

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

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

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

*Critical accounting judgement: Recoverability of property and equipment*

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances indicating that the carrying amount of their property and equipment may not be recoverable as at reporting date.

**Note 7 - Intangible Assets**

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

Management had considered the remaining useful life of the intangible asset for three (3) years as of December 31, 2025. The asset is reviewed annually to ensure the carrying amount does not exceed the recoverable amount regardless of whether an indicator of impairment is present. The Company considers its hospital information system to be upgraded after the said period to enhance the company’s operation in connection with professional medical and surgical services.

## Note 8 - Trade And Other Payables

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

	MARCH 31, 2026	DECEMBER 31, 2025
Trade	149,671,068	127,264,122
Accrued Expenses	116,168,160	91,928,723
Professional fees Payable	55,801,563	38,525,040
Due to Government Agencies	4,854,174	5,180,470
<b>Balance, Ending</b>	<b>P 326,494,965</b>	<b>P 262,898,355</b>

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

Accrued expenses pertain to accrual of obligation from outside services, utilities, readers' fee and junior consultants' incentives, employees benefits and salaries and wages.

Professional fees payable pertains to the outstanding obligations of the Corporation to its doctors with respect to their rendered services.

Due to government agencies pertains to withholding taxes and SSS, PHIC and HDMF premium contributions.

## Note 9 - 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 1 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 P 75,000,000 or Seventy percent (70%) of validated project cost, whichever is lower.

The proceeds of the loan shall be used to finance the following: (a) Term Loan I – To partially finance construction of a seven-storey Level 2 hospital building with basement and roof deck located in Camarin, Caloocan City with one hundred five (105) Bed capacity; and (b) Term Loan II – To partially finance acquisition of hospital machinery and equipment.

The Company shall repay the Term Loan I in the following manner:

- (a) Twelve (12) years inclusive of two (2) years grace period on principal repayment.
- (b) Principal payable in forty (40) equal quarterly amortizations commencing at the end of ninth (9<sup>th</sup>) quarter from date of initial drawdown until fully paid.

As to the Term Loan II, the Company opted to not to avail of the said approved Term Loan, citing its favorable cash flow position from the previous year extending into the current reporting quarter.

Details of drawdown under Term Loan I is as follows:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Balance, Beginning	343,050,000	386,200,000
Payments	(19,150,000)	(43,150,000)
Balance, Ending	P 323,900,000	P 343,050,000

The loan is subject to an interest rate of 5.25% to 5.50% per annum payable quarterly based on drawdown amount and is subject to bank's revaluation of current prevailing interest rate. The interest may be increased or decreased during the term of the loan.

Movements of accrued finance cost are as follows:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Balance, beginning	P 5,997,458	P 7,207,495
Finance cost incurred		
Finance cost paid	-	-
Balance, Ending	P 5,997,548	P 7,207,495

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

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Hospital Building	507,599,914	507,599,914
Land	55,444,070	55,444,070
Hospital Equipment	33,715,776	33,715,776
Office Equipment	3,536,164	3,536,164
Furniture and Fixtures	3,040,279	3,040,279
Transportation Equipment	1,425,622	1,425,622
Janitorial Equipment	85,293	85,293
	<b>P 604,847,118</b>	<b>P 604,847,118</b>

The company shall maintain a total debt-to-equity ratio of 1.62:1. Total credit shall mean the aggregate amount of all short-term and long-term liabilities of the corporation. Equity shall mean the aggregate issued share capital and retained earnings of the company.

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

#### **Note 10 - 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 are disclosed below:

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

	<b>March 31, 2026 Outstanding</b>	<b>December 31, 2025 Outstanding</b>
Advances	P 6,208,000	P 6,090,000

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

#### **Remuneration of key Management Personnel**

The Company remuneration to its key management personnel amounted to P12,869,093 and P12,847,218 for the 3 months period ending March 31, 2026, and March 31, 2025, respectively. The same consist of short period employee benefits.

#### **Note 11 - Capital Stock**

Components of capital stock are as follows:

	<b>2026 As of March 31, 2026</b>	<b>2025 As of December 31, 2025</b>
Common Shares	P 121,330,000	P 121,330,000
Preference Shares	11,160,000	11,160,000
	P132,490,000	P 132,490,000

#### **Common Shares**

Details of Company's authorized common shares as at March 31, 2026, are as follows:

	<b>SHARES</b>	<b>AMOUNT</b>
Common A – P50 par value	930,000	P 46,500,000
Common B – 300 par value	155,000	46,500,000
Common C – 500 par value	250,000	125,000,000
	1,335,000	218,000,000

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

### **Common "A" Shares**

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

	<b>March 31, 2026,</b>		<b>December 31, 2025</b>	
	<b>SHARES</b>	<b>AMOUNT</b>	<b>SHARES</b>	<b>AMOUNT</b>
Authorized, Issued and fully paid: P50 par value	930,000	P46,500,000	930,000	P46,500,000

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

### **Common "B" Shares**

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

	<b>March 31, 2026,</b>		<b>December 31, 2025</b>	
	<b>SHARES</b>	<b>AMOUNT</b>	<b>SHARES</b>	<b>AMOUNT</b>
Authorized Common "B" P300 par value	155,000	P46,500,000	155,000	P46,500,000
Issued and fully paid:				
Balance Beginning	155,000	P46,500,000		
Issuance			155,000	P46,500,000
Balance Ending	155,000	P46,500,000	155,000	P46,500,000

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

### **Common "C" Shares**

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

	<b>March 31, 2026,</b>		<b>December 31, 2025</b>	
	<b>SHARES</b>	<b>AMOUNT</b>	<b>SHARES</b>	<b>AMOUNT</b>
<b>Authorized</b> Common "C" P500 par value	250,000	P125,000,000	250,000	P125,000,000
Issued and fully paid:				
Balance, Beginning	56,660	P28,330,000	55,140	P27,570,000
Issuances			1,520	P760,000
Balance, Ending	56,660	P28,330,000	55,140	P28,330,000

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

## **Preferred Shares**

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

	<b>March 31, 2026,</b>		<b>December 31, 2025</b>	
	<b>SHARES</b>	<b>AMOUNT</b>	<b>SHARES</b>	<b>AMOUNT</b>
Authorized, Issued and fully paid:				
P10 par value	1,116,000	P11,160,000	1,116,000	P11,160,000

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 base on their par values.

The preferred shares shall be participating with the common voting stock in the distribution of any residual dividends at pro-rata basis with the common stock based on their par value. They shall have preference in the distribution of the assets of the Company in the event of liquidation.

### **Note 12 - Revenue**

As of March 31, 2026 and 2025 the Company's revenue earned from professional medical and surgical services amounted to 287,054,252 and P240,736,560 net revenue (net of applicable discounts) respectively.

### **Note 13 - Cost Of Sales**

As of March 31, 2026, Cost of Sales amounted to P151,690,599 while at the end of March 31, 2025, amounting to P114,637,058.

<b>COST OF SALES</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Pharmacy	31,103,052	23,100,800
CSSD	16,233,796	9,276,738
Laboratory	8,948,696	10,652,287
Dietary	-	4,086,105
Radiology	1,535,508	1,228,058
Hemodialysis	4,668,188	3,169,18
Pulmo	378,603	387,604
<b>Total</b>	<b>62,867,843</b>	<b>51,900,775</b>

<b>Direct Cost</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Laboratory Send Out	2,562,109	2,613,334
Linen Supplies Expense	-	78,792
Laundry Expense	832,613	574,632
Readers fee	12,291,209	7,528,500
On call Fees	67,000	89,500

AMS FEE	-	11,000
HD Incentives	470,500	334,650
STAT FEE (DR)	1,109,527	417,910
Famed pre-Emp	18,900	34,300
Doctors Salary Jcon	3,247,966	2,677,540
Doctors Salary Rod	2,154,470	1,387,791
JCON/ROD INCENTIVES	902,636	1,030,123
ED INCENTIVES	4,814,944	5,090,857
Pathologist Fixed Compensation	4,191,393	3,418,103
Neurosleep	363,625	244,232
Instrument Fee	537,595	694,710
Patient Room Meal	3,656,471	
Salaries & Wages_Direct Cost	18,395,622	16,182,000
Allow (De Minimis) _Direct Cost	4,248,992	3,779,531
Hazzard Pay (De Minimis) _Direct Cost	3,768,983	3,910,688
SSS Expense (ER)_Direct Cost	2,547,390	2,431,560
Philhealth Expense (ER)_Direct Cost	436,690	389,137
Pag - ibig Expense (ER)_Direct Cost	214,600	214,200
13th Month Pay Expense_Direct Cost	1,347,233	1,223,922
14th Month Pay Expense_Direct Cost	1,347,233	-
Management and Consultancy Fee	7,967,475	-
Depreciation (Direct Cost)	11,327,580	8,379,272
<b>Total</b>	<b>88,822,756</b>	<b>62,736,284</b>

**Note 16 - Operating Expenses**

The account is composed of the following expenses:

<u>PARTICULARS</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Salaries & Wages	11,329,506	6,143,288
Allow (De Minimis)	24,000	872,193
Hazzard Pay (De Minimis)	-	772,635
SSS Expense (ER)	1,049,110	761,320
Philhealth Expense (ER)	263,950	150,270
Pag - ibig Expense (ER)	101,400	77,200
13th Month Pay Expense	849,986	471,126
14th Month Pay Expense	849,986	-
Penalty Expense	4,002,001	
Consultant fee	200,000	230,702
Water Expense	1,227,949	1,092,296
Electricity	5,106,421	4,092,782
Solar (Cenag)	281,993	188,571
Office Supplies	1,398,982	1,044,366
Taxes & License	2,771,524	2,194,113
Repair & Maintenance	4,159,460	595,334
Telecommunication	561,647	649,536
Gasoline & Parking Expense	56,869	26,048
Transpo/Travel Expense	12,904,226	6,896,165
Representation Expense	364,809	80,000

Meal allowance	106,402	37,149
Janitorial Services	1,678,009	1,987,404
Housekeeping Supplies	-	24,228
Security Services Expense	2,417,840	1,657,476
Pest Control Expense	9,500	
Advertising Expense	1,955,091	469,643
Employee benefits	-	
Training/Seminar Expense	1,406,586	756,638
Garbage Expense	628,641	430,420
Rent Expense	3,011,982	364,464
Registration/membership fee Expense	6,000	34,061
Bank charge Expense	1,658,503	1,148,685
Cash Overage/Shortage	(268)	
Postage/Notorial Expense	22,459	28,786
Management Fees Expense	4,901,618	12,847,219
Management Employee Benefits	7,804,829	1,277,257
Legal & Audit Expense	401,848	326,442
Interest Expense (Bank Loan Amortization)	-	
Interest expense (Lease liability)	-	
Finance Cost	2,125,365	
Misc. Expense	9,623,500	4,007,884
Insurance Expense	346,556	161,699
ITMD Expense	326,098	56,625
Employees Health Benefits	5,662,500	
Provision For Expected Credit Loss (ECL)	-	
<b>TOTAL</b>	<b>91,652,683</b>	<b>55,435,454</b>

#### **EMPLOYEE BENEFITS**

Total short-term employee benefits include:

#### **DIRECT COST**

<b>PARTICULARS</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Salaries & Wages_Direct Cost	18,395,622	16,182,000
Allow (De Minimis) _Direct Cost	4,248,992	3,779,531
Hazard Pay (De Minimis) _Direct Cost	3,768,983	3,910,688
SSS Expense (ER)_Direct Cost	2,547,390	2,431,560
Philhealth Expense (ER)_Direct Cost	436,690	389,137
Pag - ibig Expense (ER)_Direct Cost	214,600	214,200
13th Month Pay Expense_Direct Cost	1,347,233	1,223,922
14th Month Pay Expense_Direct Cost	1,347,233	-
<b>TOTAL</b>	<b>32,306,742</b>	<b>28,131,037</b>

#### **OPERATING EXPENSE**

<b>PARTICULARS</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Salaries & Wages	11,329,506	6,143,288
Allow (De Minimis)	24,000	872,194
Hazard Pay		772,636
SSS Expense	1,049,110	761,320
Philhealth Expense	263,950	150,271
Pag - ibig Expense	101,400	77,200
13th Month Pay Expense	849,986	471,127
14th Month Pay Expense	849,986	-
<b>TOTAL</b>	<b>14,467,938</b>	<b>9,248,036</b>

## Note 17 - Income Taxes

### 17.1 Income Tax Recognized in Profit or Loss

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate.

	March 31, 2026	March 31, 2025
Accounting Income	39,844,035	66,548,020
Tax benefit at 25%,	9,961,009	16,637,005
Unrecognized DTA FROM NOLCO		
Unrecognized DTA from MCIT		
Unrecognized DTA due to PFRS 16		
Non-deductible donation		
Non -deductible finance cost		
Finance income subjected to Final Tax		
	<b>P 9,961,009</b>	<b>P 16,637,020</b>

The company's Net Operating Loss Carry-Over (NOLCO) in 2022 and 2023 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	33,187,571	33,187,571		-	-	2025
2023	12,100,448	8,144,786	3,955,622	-	-	2026
	<b>P 45,288,019</b>	<b>P 41,332,357</b>	<b>P 3,955,662</b>		-	

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

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

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

Pursuant to Section 4 of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business 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) years only.

Details of MCIT are as follows:

Year	Amount	Applied Previous Year	Applied Previous Year	Expired	Unapplied	Expiry Date
2023	P 2,204,784	0	P 2,204,784	P	0	2026
2024	P 6,014,174	0	P 6,014,174	P	0	2027
	P 8,218,958		P 8,218,958			

#### **Note 18 – Lease Agreement**

##### **The Company as a Lessor**

Operating leases relate to the office space located on the ground floor of the building owned by Optimum Quality Health Ventures Corporation, which is leased out to third parties with lease terms between one (1) to three (3) years starting January 1, 2023 up to December 31, 2026, with escalation rate of five (5%) percent. The lease contract is renewable upon mutual agreement of both parties. For the first quarter of 2026, the Corporation earned rental income of ₱ 1,522,675, consistent with the amount reported as of December 31, 2025. The Company anticipates an increase in rental income starting every October, moving forward.

##### **Note 19 - Earnings Per Share**

The Company's results of operation as of March 31, 2026, and 2025 amounted to P29,883,026 and P 49,911,015 respectively. Accordingly, the Company's earnings per share on March 31, 2026, and as of March 31, 2025, amounted to P26.23 and P52.20 respectively.

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

	1 <sup>st</sup> Quarter 2026	March 31, 2025
Weighted average number of shares	1,139,255	956,071

The Company did not have any potential dilutive instruments as of March 31, 2026, and December 31, 2025.

#### Note 20 - Fair Value Measurements

The carrying amounts and estimated fair values of the Company's financial asset and financial liabilities as of March 31, 2026 and December 31, 2025, respectively are presented below:

	MARCH 31, 2026,		December 31, 2025	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
<b>Financial Assets</b>				
Cash in Banks	200,742,280	200,742,280	84,149,056	84,149,056
Trade Receivables	195,578,047	195,578,047	222,630,234	222,630,234
Security Deposit	456,226	456,226	501,226	501,226
	<b>P 396,776,552</b>	<b>P 396,776,552</b>	<b>307,280,516</b>	<b>307,280,516</b>
<b>Financial Liabilities</b>				
Trade Payables	326,251,100	326,251,100	262,898,355	262,898,355
Accrued Finance Cost	5,997,548	5,997,548	7,207,495	7,207,495
Advances from Stockholders	6,208,000	6,208,000	6,090,000	6,090,000
Loans Payable	39,450,000	39,450,000	52,600,000	52,600,000
Income Tax Payable	9,961,009	9,961,009	4,078,152	4,078,152
	<b>P 388,111,522</b>	<b>P 388,111,522</b>	<b>P 332,874,002</b>	<b>P 332,874,002</b>

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

- Due to the short-term nature of cash in banks, trade receivable, security deposit, trade payables, accrued finance cost, advances from stockholders and retention payable, the carrying amount approximate their fair values.
- Loans payable bears market interest rate, hence, the fair value of these loans payable is equal to its carrying value.
- The Company measures its lease liability at the present value of the lease payments unpaid at that date, discounted using market rate. Management believes that fair value approximates amortized cost.

#### Note 21 - 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.

## **21.1 Market Risk Management**

### ***21.1.1 Interest Rate Risk Management***

The company's exposure to interest rate risk arises from its cash deposits in banks and which is subject to variable interest rates.

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

## **21.2 Credit Risk Management**

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

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

- *Cash in Banks and Cash Equivalents*

The Company transacts only to banks with investment grade credit ratings.

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

- *Trade and Other Receivables*

The Company transacts numerous patients with different financial capacities. It is the Company's policy to perform appropriate initial medical treatment to all new patients in emergencies or serious cases to comply with the existing law. Moreover, in situations other than emergency or 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 on clients.

The calculation of allowance for expected credit is 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.

### Cash in Banks and Cash Equivalent

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 on March 31, 2026 and December 31, 2025.

### Trade and Other Receivables

The Company determined the probability of default rate by considering the following:

The schedules of trade and other receivables for the past five years; the past, current, and forecast performance of each client's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. The Company estimated the probability of default to be nil for its clients for the quarter ending March 31, 2026.

## **21.3 Liquidity Risks Management**

Ultimate responsibility for liquidity risk management rests with the Board of Director, 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.

## **21.4 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.

	<b>MARCH 31, 2026</b>	<b>DECEMBER 31, 2025</b>
Debt	672,561,522	623,324,002
Cash	(200,742,280)	(84,149,056)
Net Debt	471,819,242	539,174,946
Equity	415,375,464	385,492,436
<b>Net Debt to Equity Ratio</b>	<b>1.14:1</b>	<b>1.39:1</b>

## **Note 20 – Summary of Significant Accounting Policies**

Changes in accounting policies and disclosure

In the application of the Company's accounting policies, 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.

### ***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.

#### *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.

#### *Assessment on Capitalization of Borrowing Cost*

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

#### *Assessment of Timing of Satisfaction of Performance Obligations*

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

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

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

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

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

#### Assessment of 30 days Rebuttable Presumption

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

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

#### 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 patients 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.

#### Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised, and Termination Option will not 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 non-cancelable term of the contract.

For the lease agreement with Project 45 Ventures Corporation, Management assessed that the Company will extend the lease term beyond the non-cancelable lease period because the renewal is subject to mutual

consent by both parties. However, extension of lease contract without mutual consent of both parties is not enforceable. The lease term determined by the Management comprises the non-cancelable term of three (3) years.

#### Determining Whether or not a Contract Contains a Lease

Management assessed that lease agreement with Project 45 Ventures Corporation qualifies 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.

#### Assessment of Classification of Lease as a Lessor

The Company determines whether a lease qualifies as an operating lease. In making its judgements, 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. Whether a lease is 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 contract qualifies as operating lease because the risk and reward of the leased property will not be transferred to the lessee at the end of the lease term.

#### **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.

#### 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 expenses and provides allowances 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 causes. Inventory items identified to be obsolete and unusable is written-off and charge 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.

As of March 31, 2026, Management determined that the net realizable values of the Company's inventories approximate their costs; hence no impairment or write-down was recognized. The cost of inventories as of March 31, 2026 and December 31, 2025 amounted to P41,466,295 and P44,585,472, respectively.

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

The useful life 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, 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 the 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 or 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 the asset's future economic benefits, the entity shall review its present depreciation method and if current expectations differ, change the depreciation method to reflect the new pattern.

Management assesses that there is no significant change from previous estimates. As of March 31, 2026 and December 31, 2025, the carrying amount of depreciable property and equipment amounted to P628,240,597 and P636,480,974, respectively.

#### Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, right-of-use asset, 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 property and equipment, right-of-use asset, intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS. Management believed that there are no indications of impairment that could materially affect its other current assets, property and equipment, right-of-use asset, and intangible asset and deferred tax assets. As of March 31, 2026 and December 31, 2025, the aggregate carrying amounts of the aforementioned assets amounted to P630,404,651 and P638,700,831, respectively.

#### Estimating Allowance for Expected Credit Losses

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATION AND FINANCIAL CONDITION

### 1ST QUARTER 2026

*Review of results of operations for the three (3) months ended March 31, 2026.*

#### **Result of Operations**

##### ***Revenues***

CDH recorded revenues of **₱287.05 million** in the first quarter of 2026, marking a 19% **increase** from **₱240.73 million** during the same period in 2025. The growth is attributed to significant increases in our key service areas:

##### **Laboratory**

Revenues from the Laboratory reached **₱57.42 million**, reflecting a 18% **increase** from **₱48.67 million** in Quarter 1 of 2025.

##### **Pharmacy**

Pharmacy sales amounted to **₱57.37 million**; a 26% **increase** compared to **₱45.38 million** in Quarter 1 of 2025.

##### **Hemodialysis**

Revenues from Hemodialysis soared to **₱28.66 million**, a remarkable 9% **increase** from **₱26.20 million** in the same period last year.

##### **Discount**

The Hospital's discount of **₱31.69 million** to senior citizens and persons with disabilities, which represents approximately 10% of our gross revenue. This amount reflects a significant **28% increase** compared to **₱24.70 million** in the same period of 2025.

##### ***Cost of services***

The cost of services amounted to **₱151.55 million**, which represents **48%** of our gross revenues. This reflects a substantial **32% increase** from the **₱114.63 million** reported in 2025.

##### ***General and Administrative expenses***

Operating expenses were **₱91.65 million**, the bulk of which are attributable to salaries and wages, utilities, management fees and transportation expenses.

Finance Cost of **₱5.79 million** due to accrual of interest for loan from Development Bank of the Philippines.

##### ***OTHER INCOME***

Other Income **₱1.9 million** referring to rental income derived from the canteen concessionaires and rental by the Stone Center.

### ***Net Operating Income (Loss)***

The 1<sup>st</sup> quarter of 2026 posted a net operating income before depreciation of P41.61 million and a net income of P 29.98 million after depreciation and taxes. Interest income amounted to P406,565.03.

Review of the financial condition of the Hospital as of March 31, 2026, compared with the financial condition as of December 31, 2025:

#### *Financial Condition*

As of March 31, 2026, the Hospital's total assets reached P1,087,936,986, an increased by P79,120,548, or 8%, compared to 1,008,816,438 year-end December 31, 2025.

Current assets increased by 24% or P87,416,728 (December 31, 2025 – P370,115,607), Increase in Cash P 116,593,224 due to collection of accounts receivable, decrease in trade and other receivables (P27,052,187), inventories Decrease (P3,119,177), and increased by other current assets amounting to P1,039,769.

Non-current assets went down by (1%) or P (8,296,180) (December 31, 2025 – P638,700,831), caused mainly by accumulated depreciation of property and equipment.

Total liabilities of P672,561,522 (December 31, 2025 – P623,324,002) Increase by P49,237,520, due to the following: Increase in Trade and Other Payable amounted to P63,596,610 or a percentage decrease of 24%, and loans payable that decreased by (P19,150,000) or (6%).

### **Statement of Financial Position (Increase/Decrease of December 31, 2025)**

#### Increase in Cash

The increase in cash is attributable to the payments received from self-pay patients.

#### Increase in Receivables

This came from receivable from HMO due to the increase in medical services under HMO accounts. The increase is also attributable from claims filed with the Philippine Health Insurance Corporation (PHIC).

#### Increase in Accounts payable and accrued expenses.

The factor for the Increase in payable is mainly due to trade and other payables of P55,237,520..

### **Income Statements (Increase/Decrease of December 31, 2025)**

#### Increase in Gross Revenues

The increase is mainly due to the several accredited HMOs were in placed thus resulting in a substantial increase in gross revenues.

#### Increase in Discounts

Increase in discounts were from senior citizens and PWD cardholders.

#### Increase in Cost of Services

Due to the increase in gross revenue, the increase in the cost of services is directly proportional to the said increase. The increase is attributable to professional services of resident doctors and junior consultants, reader's fees and increase in number of personnel in the nursing service unit and ancillary departments.

#### Increase in Operating Expenses

Increase came from salaries, wages and benefits of back office, taxes and licenses and utilities, transportation and travel expenses, and management fees.

#### Decrease in Finance Costs

As the loan principal is paid overtime, the amount of interest on the outstanding balance decreases.

#### **Financial Soundness Indicators**

Discussions on financial instruments to the Unaudited Interim Financial Statements as of March 31, 2026, and March 31, 2025:

<b>Ratio</b>	<b>Formula</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Current ratio	Total current assets divided by total current liabilities	1.18	1.21
Acid test ratio	Quick assets (total current assets less inventories and other current assets) divided by total current liabilities	1.02	0.89
Debt to equity	Total liabilities divided by total stockholders' equity	1.62	1.93
Asset-to-equity ratio	Total assets divided by Stockholders' equity	2.62	2.93
Return on Equity	Net income divided by average stockholders' equity	26.23	52.20
Return on Assets	Net Income divided by total assets	3%	5%
Net Profit margin	Net Income Divided by revenues	10%	21%
Gross Profit margin	Gross Profit (revenues less cost of services) divided by revenues	47%	52%
Book Value per share	Stockholders' equity divided by weighted average outstanding number of common shares	354.81	391.53

**PART II - OTHER INFORMATION**

The Hospital is not in possession of any information which has not been previously reported in a report on SEC Form 17-C and with respect to which a report on SEC Form 17-C is required to be filled.

**SIGNATURE**

Pursuant to the requirements of the Securities Regulations Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**OPTIMUM QUALITY HEALTH VENTURES, INC.**

**Issuer**

**By:**



**JONATHAN L. LATONIO**

**Corporate Treasurer**

SUBSCRIBED AND SWORN TO BEFORE  
ME THIS        DAY OF        AT Caloocan City

MAY 04 2026



**CATHERINE P. CABALIC**

**Compliance Officer**

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Book No. 244  
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