

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	P	O	L	L	O	G	L	O	B	A	L	C	A	P	I	T	A	L	I	N	C	.				

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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A	V	E	N	U	E	,	B	R	G	Y	.	U	G	O	N	G	N	O	R	T	E		
Q	U	E	Z	O	N	C	I	T	Y														

Form Type

A	F	S
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Department requiring the report

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Secondary License Type, if Applicable

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COMPANY INFORMATION

<p>Company's email Address</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">N/A</div>	<p>Company's Telephone Number</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">(632)8532-8654</div>	<p>Mobila Number</p> <div style="border: 1px solid black; height: 20px;"></div>
<p>No. of Stockholders</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">805</div>	<p>Annual Meeting (Month / Day)</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">LAST FRIDAY OF JUNE</div>	<p>Fiscal Year (Month / Day)</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">31 - DEC</div>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <div style="border: 1px solid black; padding: 5px;">KRISTINA JOYCE CARO- GANGAN</div>	<p>Email Address</p> <div style="border: 1px solid black; padding: 5px;">main@picazolaw.com</div>	<p>Telephone Number/s</p> <div style="border: 1px solid black; padding: 5px;">(632)8532-8654</div>	<p>Mobila Number</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">N/A</div>
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CONTACT PERSON'S ADDRESS

UNIT 504 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, BRGY. UGONG NORTE, QUEZON CITY

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

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Apollo Global Capital

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **APOLLO GLOBAL CAPITAL INC** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year(s) ended December 31, 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

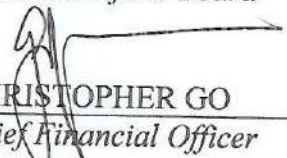
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no 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 or members.

Valdes, Abad & Company, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature : 
SALVADOR SANTOS-OCAMPO
Chairman of the Board

Signature : 
CHRISTOPHER GO
Chief Financial Officer

Signature : 
LUCKY DICKINSON UY
Compliance Officer

MAY 06 2022

Signed this _____ day of _____
SUBSCRIBED AND SWORN to before me this _____ day of _____
here in QUEZON CITY, Philippines, affiant exhibited to me his/her
_____ as proof of identity.
Government issued ID No. _____


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY

Commission No. Adm. Matter No. NP 204 (2021 - 2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 24032550 1/3/22 Roll No. 33832 / TIN# 120-871-000
MCLE No. VI-0029583, Quezon City
Address: 31 F-Harvard St., Cubao, Q.C.

DOC. NO. 152
PAGE NO. 31
BOOK NO. X-A
SERIES OF 2022

Valdes Abad & Company

(Formerly: Valdes Abad & Associates)

certified public accountants

CIV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:

Cebu and Davao

Phone: (632) 8892-5931 to 35

(632) 8519-2105

Fax: (632) 8819-1468

Website: www.vacocpa.com.ph

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



member

an association of
legally independent
accounting firms

partnering for success

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors

APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)

Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,

Brgy. Ugong Norte, Quezon City

We have examined the separate financial statements of APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation) for the year ended December 31, 2021, on which we have rendered the attached report dated May 16, 2021.

In compliance with Revised SRC Rule 68, we are stating that the Company has eight hundred four (804) stockholders owning one hundred (100) or more shares each as of December 31, 2021.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

BIR Accreditation No. 08-002126-000-2021

Issued on March 19, 2021, Valid until March 18, 2024

SEC Accreditation No. 0314-SEC, Group A

Issued on February 23, 2022

For the firm:

Felicidad A. Abad
FELICIDAD A. ABAD

Partner

CPA Registration No. 25184, Valid until April 5, 2024

TIN No. 123-048-248-000

PTR No. 8852940, Issue Date: January 6, 2022, Makati City

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

BIR Accreditation No. 08-002126-001-2021

Issued on March 19, 2021, Valid until March 18, 2024

SEC Accreditation No. 25184-SEC, Group A

Issued on February 23, 2022

Makati City, Philippines

May 16, 2022

Valdes Abad & Company

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certified public accountants

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(632) 8519-2105

Fax: (632) 8819-1468

Website: www.vacoopa.com.ph

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors

APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)

Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,

Brgy. Ugong Norte, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)** as at December 31, 2021 and 2020 and have issued our report thereon dated May 16, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2021 and 2020 and no material exceptions were noted.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

BIR Accreditation No. 08-002126-000-2021

Issued on March 19, 2021, Valid until March 18, 2024

SEC Accreditation No. 0314-SEC, Group A

Issued on February 23, 2022

For the firm:


FELICIDAD A. ABAD

Partner

CPA Registration No. 25184, Valid until April 5, 2024

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May 16, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

Opinion

We have audited the separate financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)** which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of **APOLLO GLOBAL CAPITAL, INC. (Formerly Yehey! Corporation)** as of December 31, 2021 and 2020 and of its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit 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 the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 these financial statements in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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.

Auditor's 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 auditor's 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 audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- (ii) Obtain an understanding of internal control relevant to the audit 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 entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (v) 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Note 26 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

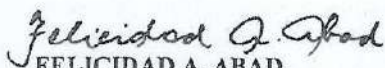
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For the firm:



FELICIDAD A. ABAD

Partner

CPA Registration No. 25184, Valid until April 5, 2024

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SEC Accreditation No. 25184-SEC, Group A

Issued on February 23, 2022

Makati City, Philippines

May 16, 2022

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF FINANCIAL POSITION
(In Philippine Peso)

ASSETS	Note	December 31,	
		2021	2020
CURRENT ASSETS			
Cash in banks	8	155,657,797	505,834
Receivables	9	3,834,663	-
Advances to related party	18	49,602,511	9,198,954
Other current assets	10	2,953,829	1,980,145
Total Current Assets		<u>212,048,800</u>	<u>11,684,933</u>
NON CURRENT ASSETS			
Property and equipment, net	11	41,596,363	1,339,041
Investment in an associate	12	809,752,974	-
Investment in subsidiaries	13	2,773,232,325	2,741,567,825
Deferred tax asset	20	6,309,081	-
Total Non Current Assets		<u>3,630,890,743</u>	<u>2,742,906,866</u>
TOTAL ASSETS		<u>3,842,939,543</u>	<u>2,754,591,799</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	14	2,246,092	2,263,494
Advances from contractor	15	39,570,200	3,651,000
Total Current Liabilities		<u>41,816,292</u>	<u>5,914,494</u>
NON CURRENT LIABILITIES			
Advances from related parties	18	1,819,239	1,775,024
EQUITY			
Share capital	16	2,926,863,493	2,803,363,493
Share premium	17	868,071,980	17,586,961
Retained earnings(Deficit)		4,368,539	(74,048,173)
Total Equity		<u>3,799,304,012</u>	<u>2,746,902,281</u>
TOTAL LIABILITIES AND EQUITY		<u>3,842,939,543</u>	<u>2,754,591,799</u>

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.

(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF INCOME

(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020
REVENUE			
Share in net earnings of an associate	12	97,772,094	-
Interest income	8	35,109	1,485
		97,807,203	1,485
Total Revenue			
EXPENSES			
Professional fees	19	11,654,467	1,841,650
Repairs and maintenance		5,720,512	5,550
Commission expense		1,764,286	-
Provision for expected credit losses	9,18	1,259,883	-
Escrow and lodging fees		938,635	-
Foreign exchange loss		904,700	-
Taxes and licenses	26	857,036	1,116,331
Rent	22	737,851	804,928
Salaries expense		412,500	-
Depreciation	11	326,394	69,965
Representation expense		265,247	-
Fines and penalties		198,000	-
Advertisement		146,063	170,048
Transportation		84,755	80,760
Office supplies		33,418	60,000
Others		395,825	202,477
		25,699,572	4,351,709
Total Operating Expenses			
INCOME(LOSS) BEFORE TAX		72,107,631	(4,350,224)
INCOME TAX BENEFIT	20	6,309,081	-
<hr/>			
NET INCOME(LOSS)		78,416,712	(4,350,224)

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)

For the Years Ended December 31,	Note	2021	2020
SHARE CAPITAL			
Balance at beginning of year	16	2,803,363,493	2,803,363,493
Additional issuance of share capital	16	123,500,000	-
Balance at end of year		2,926,863,493	2,803,363,493
SHARE PREMIUM			
Balance at beginning of year	17	17,586,961	17,586,961
Share premium on additional issued share capital	17	850,485,019	-
Balance at end of year		868,071,980	17,586,961
RETAINED EARNINGS (CUMULATIVE DEFICIT)			
Balance at beginning of year		(74,048,173)	(69,697,949)
Net income(loss) for the year		78,416,712	(4,350,224)
Balance at end of year		4,368,539	(74,048,173)
TOTAL EQUITY		3,799,304,012	2,746,902,281

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CASH FLOWS
(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income(Loss) before tax		72,107,631	(4,350,224)
Adjustment for:			
Share in net earnings of an associate	12	(97,772,094)	-
Provision for expected credit losses	9,18	1,259,883	
Depreciation	10, 19	326,394	69,965
Interest income	8	(35,109)	(1,485)
		<u> </u>	<u> </u>
Operating loss before changes in working capital		(24,113,295)	(4,281,744)
Decrease (increase) in:			
Receivables		(4,265,860)	
Other current assets		(973,684)	(243,370)
Increase (decrease) in:			
Accrued expenses and other payables		(17,402)	160,143
Advances from a contractor		35,919,200	-
		<u> </u>	<u> </u>
Cash generated from (used for) operations		6,548,959	(4,364,971)
Interest received	8	35,109	1,485
Income taxes paid	20	-	(45,446)
		<u> </u>	<u> </u>
Net Cash from Operating Activities		<u>6,584,068</u>	<u>(4,408,932)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional acquisition of ownership	12,13	(743,645,380)	-
Collections of:			
Advances to a related party	18	-	5,738,515
Additions to:			
Advances to a related party	18	(41,232,243)	-
Property and equipment	11	(40,583,716)	(1,409,006)
		<u> </u>	<u> </u>
Net Cash from Investing Activities		<u>(825,461,339)</u>	<u>4,329,509</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of advances from related party	18	44,215	92,041
Issuance of share capital	16,17	973,985,019	-
		<u> </u>	<u> </u>
Net Cash from Financing Activities		<u>974,029,234</u>	<u>92,041</u>
NET INCREASE IN CASH		155,151,963	12,618
CASH IN BANKS, BEGINNING	8	505,834	493,216
CASH IN BANKS, ENDING	8	155,657,797	505,834

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – GENERAL INFORMATION

APOLLO GLOBAL CAPITAL, INC. (the Company), formerly known as **YEHEY! CORPORATION**, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Company's primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and postproduction work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Company's application to list ₱278 million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of P1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at ₱290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Company to Vantage. Total amount assigned is a net liability of ₱2,693,438. Such amount was recognized as miscellaneous income in the Parent Company's 2015 separate statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Company's name from **YEHEY! CORPORATION** to **APOLLO GLOBAL CAPITAL, INC.** The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Company's primary purpose was likewise amended to that of a holding company which is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences, of indebtedness, and other securities, or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership.

The current registered office address of the Parent Company is located at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

Approval of financial statements

The separate financial statements for the years ended December 31, 2021 and 2020 were authorized for issuance by the BOD on May 16, 2022.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The accompanying separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards issued by the

International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

2.2 Basis of presentation

The separate financial statements of the Company have been prepared on the historical cost basis.

2.3 Going Concern Assumption

The preparation of the accompanying separate financial statements of the Company is based on the premise that the Company operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.4 Functional and presentation currency

The separate financial statements are presented in Philippine peso (₱), which is the functional currency of the Company. All values are rounded off to the nearest peso.

2.5 Use of judgment and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision 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.

The areas where significant judgments and estimates have been made in preparing the separate financial statements and their effects are disclosed in Note 4.

2.6 Adoption of new and revised accounting standards

New and Amended Accounting Standards Effective in 2021

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted

Effective beginning on or after June 1, 2020

- *Amendments to PFRS 16, COVID-19-related Rent Concessions* – the amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which PFRS 16 Leases defines as “a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)”.

Effective beginning on or after January 1, 2021

- *PFRS 9, PFRS 7, PFRS 4 and PFRS 16 (amendments), Interest Rate Benchmark Reform – Phase 2* The amendments provide in the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform;
- Relief from discontinuing hedging relationships;
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and,
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

New and Amended Standards Effective Subsequent to 2021 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2021 are listed below. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2022

Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use - the purpose of the amendments is to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract – the amendment is regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to PFRS 3, Reference to the Conceptual Framework with amendments to PFRS 3 'Business Combinations – the amendments update an outdated reference in PFRS 3 without significantly changing its requirements. The changes are: update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Effective beginning on or after January 1, 2023

Amendments to PAS 1, Classification of Liabilities as Current or Non-current – the amendments provide a more general approach to the classification of liabilities under PAS 1 based on the contractual arrangements in place at the reporting date. The amendments affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. To:

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

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS 1, 'Presentation of financial statements', PFRS Practice statement 2 and PAS 8, 'Accounting policies, changes in accounting estimates and errors' - The amendment require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. On the other hand, the amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments should help companies:

- to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS; and
- to distinguish changes in accounting estimates from changes in accounting policies.

These amendments are not expected to have a significant impact on the preparation of financial statements.

Amendments to PFRS 17, Insurance Contracts – the amendments' purpose is to address concerns and implementation challenges that were identified after PFRS 17 'Insurance Contracts' was published in 2017. The main changes are: deferral of the date of initial application of PFRS 17 by two years to annual periods beginning on or after January 1, 2023; additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination; extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; and several small amendments regarding minor application issues.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Deferred

PFRS 10 (amendments), Consolidated Financial Statements, and PAS 28 (amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes 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.

Annual Improvements to PFRS

The annual improvements to PFRSs contain non-urgent but necessary amendments to PFRSs.

2018-2020 Cycle

The Annual Improvements to PFRSs (2018-2020 Cycle) are effective for annual periods beginning on or after January 1, 2022, with retrospective application. The amendments to the following standards:

- PFRS 1, Subsidiary as a first-time adopter - The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).
- PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statements.

- PFRS 16, Lease Incentives - The amendment removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- PAS 41, Taxation in fair value measurements - The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

The amendments are not expected to have a material impact on the financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

3.1 Financial assets and financial liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit

or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As of December 31, 2021 and 2020, the Company does not have financial assets and liabilities measured at FVPL.

Financial Assets at Amortized Cost. Financial assets 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.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As of December 31, 2021 and 2020, the Company's cash, receivables, security and bond deposits, and advances to related party are included under this category.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. As at December 31, 2021 and 2020, the Company has no financial assets at FVPL.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; 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.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of December 31, 2021 and 2020, the Company's has no financial assets at FVOCI.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2021 and 2020, the Company's accounts and other payables and advances from contractors and related parties are included under this category.

3.2 Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Company records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For loan receivables, the Company has applied the simplified approach and has calculated ECLs based on the

lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Company assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case

with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3.6 Classification of financial instrument between liability and equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

3.7 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- Cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Company measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Cash in banks

Cash in banks earns interest at respective bank deposit rates. For the purpose of reporting cash flows, cash in banks is unrestricted and available for use in current operations.

3.11 Other current assets

Other current assets are recognized when the Company expects to receive future economic benefit from them, and the amount can be measured reliably. Other assets are classified in the statements of financial position as current assets when the cost of goods or services related to the assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer.

Other current assets consist of input value-added tax (VAT), creditable withholding taxes (CWTs) and security deposit.

Input VAT represents tax imposed on the Company by its suppliers and contractors for the purchase of goods and services, as required under Philippine taxation laws and regulations. The portion of input VAT that will be used to offset the Company's current VAT liabilities is presented as a current asset in the consolidated statement of financial position.

CWTs represent the amount withheld by the Company's customers in relation to its revenue. These are recognized upon collection of the related revenue and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWTs are stated at their estimated net realizable value.

Security and bond deposits are refundable, noninterest-bearing and unsecured amounts upon the termination of contracts with lessors and utilities companies or the performance of commitments covered by certain provisions of contracts.

3.12 Property and equipment, net

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on other assets is charged to allocate the cost of assets less their fair value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office furniture & fixtures	3-5 years
Leasehold improvements	5 years
Computer software	5 years
Machineries & equipment	7 years

Depreciation of property and equipment begins when it becomes available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation and depletion ceases at the earlier of the date that the item is classified as held for sale in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated recoverable reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values, if any, are reviewed and adjusted, if appropriate, at each end of reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation and depletion and any allowance for impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to statements of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the items) is included in the statements of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

3.13 Investment in associates

Associates are entities over where the Company is in a position to exercise significant influence in the financial and operating policy decisions but not control or joint control.

Investment in associates is recognized using the equity method of accounting. Under the equity method the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with PFRS 3 Business Combinations.

The income statement of the investor includes the investor's share of the income statement of the investee.

Losses of associates in excess of the company's interest in the relevant entity are not recognized except to the extent that the Company has an obligation. Profits on company transactions with associates are eliminated to the extent of the Company's interest in the relevant associate.

The Company owns 49% ownership of its associate, Poet Blue Ocean (PBO). PBO is incorporated in the Philippines.

3.14 Investment in subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Parent Company. The Parent Company has control over an entity if it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investment in subsidiary in the Parent Company financial statements is carried at cost, less any impairment in the value of the individual investment.

3.15 Impairments of non-financial assets

General

An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment

The Company assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset is belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.16 Advances from/to related parties

Advances from/to related parties are non-interest-bearing borrowings. These are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

3.17 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers which are unpaid. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed upon by the supplier, including amounts due to employees. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business of longer and recognized at fair value). If not, they are presented as non-current liabilities.

Accounts payables and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.18 Revenue recognition

Revenue from contract with customers

Revenue from contract with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services. The Company applies this standard with its revenue arrangements on the earnings from investments.

To determine whether to recognize revenue, the Company follows a five-step process:

1. identifying the contract with a customer;
2. identifying the performance obligation;
3. determining the transaction price;
4. allocating the transaction price to the performance obligations; and,
5. recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following gating criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract; and,
- collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to the performance obligations satisfied at a point in time is recognized as revenue when control of goods or services transfers to the customer. As a matter of accounting policy when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are disclosed in Note 4.

Other income

Other income is recognized in the statements of comprehensive income as they are earned.

Finance income

Interest income is recorded using the EIR which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in "other income" in the statements of comprehensive income.

Contract balances

Receivable from customers

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

3.19 Cost and expenses recognition

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Costs and expenses are recognized in profit or loss in the consolidated statements of comprehensive income:

- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or,
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Cost of Services

The Company recognizes costs related to the contracts with customer when the performance obligation has been fulfilled and the related contract revenue has been recognized as earned.

Selling, administrative, and other operating expenses

Selling expenses are costs incurred to sell or distribute inventories. Administrative expenses normally include costs of administering the business as incurred by administrative departments. Other operating expenses are costs incurred other than for selling or administrative purposes.

3.20 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

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

- The entity and the Company are members of the same Company (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 Company 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)

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, and dependents of 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. An entity is related to the Company when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.21 Equity

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called "deficit", and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Company's financial statements in the period in which the dividends are declared and approved by the Company's Board of Directors.

3.22 Income taxes

Current income tax

Current income tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carry over (NOLCO), and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits from MCIT and NOLCO and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences 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, affects neither the accounting profit nor taxable profit (or loss).
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.23 Value-added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

For acquisition of capital goods over ₱1,000,000, the VAT is deferred and amortized over the useful life of the related capital goods or 60 months, whichever is shorter, commencing on the date of the acquisition.

Output tax pertains to the 12% VAT received or receivable on the local sale of goods or services by the Company. Input tax pertains to the 12% VAT paid or payable by the Company in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'trade and other payables' in the statements of financial position.

3.24 Employee benefits

Employee benefits are all forms of considerations given by the Company in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement benefits

The Company does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the Philippine Retirement Pay Law, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company. The Company's defined benefit post-employment plan covers all regular full-time employees.

As of December 31, 2021 and 2020, the Company has not yet provided retirement benefits for its employees since the Company has no regular employees.

3.25 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses whether the contract meets three key evaluations which are whether:

- a) 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,
- b) 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,
- c) the Company has the *right to direct the use* of the identified asset throughout the period of use.

The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use asset

At the initial application date, the Company recognizes a right-of-use asset on the statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, 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 the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.26 Provisions and contingencies

General

The Company recognizes a provision of a present obligation has arisen as a result of a past event, payment is probable and the amount can be measured reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount the Company would rationally pay to settle the obligation to a third party.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.27 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Company has no dilutive potential common shares outstanding.

3.28 Events after the end of the reporting period

Post year-end that provides additional information about the Company's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with PFRS requires the Company's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated 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.

4.1 Judgments

Going concern

As of December 31, 2021, the Company's management has made an assessment on the Company's ability to continue as a going concern in the current evolving environment especially on the impact of COVID-19 pandemic and is satisfied that the Company has the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency

The financial statements are presented in the Philippine Peso, which is also the Company's functional currency. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Fair value measurements

A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

Classification of financial instruments

The Company manages its financial assets based on business models that maintain adequate liquidity level and preserve capital requirements, while maintaining a strategic portfolio of financial assets for accrual and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Company evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Company.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Company considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Company can explain the reasons for those sales and why those sales do not reflect a change in the Company's objective for the business model.

Assessing significant influence and control over investee.

The Company determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Company's voting rights and potential voting rights.

Management has assessed the level of influence the Company has on JDVC and JDVC Indonesia and determines that it has control by virtue of the Company holding 90.47% voting power both over JDVC and JDVC Indonesia.

Revenue recognition from contracts with customers

Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the (a) identification of the contract for sale of services that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; and (c) determining the timing of satisfaction of the performance obligation.

Identification of the contract

The Company's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contracts to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with customer under PFRS 15.

In addition, part of the assessment of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance if the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Determining performance obligation

The Company concluded that the transfer of goods and services in each contract constitute a performance obligation. Generally, the Company is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct in the context contract.

The Company uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

Determining the timing of satisfaction of the performance obligation

The Company concluded that revenue from contracts with customers is to be recognized at a point in time since it does not fall within any of the following conditions to be met for a recognition over a period of time:

- (a) The customer receives and consumes the benefits of the goods or services as they are provided by the Company;
- (b) the Company's performance does not create an asset with an alternative use and;
- (c) the goods or services create or enhances an asset that the customer controls as that asset is created and enhanced.

Determination whether an agreement contains a lease

The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting for lease commitments – Company as lessee

The Company has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Company availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₱737,851 and ₱804,928 in 2021 and 2020, respectively (see Note 22).

Contingencies

The Company is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the outside legal counsel handling the Company's defense in this matter and is based upon an analysis of potential results. Management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to this proceeding.

Repairs and maintenance

Costs of repairs and maintenance that do not result in an increase in the future economic benefit of an item of property and equipment is charged to operations in the period it is incurred. Otherwise, it is capitalized as part of the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Fair values of financial instruments

PFRS requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are

taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 7 to the financial statements.

Assessing ECL on financial assets

The Company applies the general approach in measuring the ECL. For cash in banks the Company assessed that cash is deposited with reputable banks that possess good credit ratings. For loan receivable, accrued interest receivable, advances to contractors and related parties, the Company considers the financial capacity of the counterparty. No ECL was recognized in 2021 and 2020. The carrying amounts of the Company's financial assets are as follows:

	Note	2021	2020
Cash in banks	8	₱ 155,657,797	₱ 505,834
Receivables	9	3,834,663	
Security deposit	10	71,772	71,772
Construction bond	10	50,000	50,000
Advances to related parties	18	49,602,511	9,198,954

Allowance for credit losses of receivables

The Company reviews its impaired receivables at each reporting date to assess whether an additional provision for credit losses should be recorded in the profit and loss. In, particular, judgment by Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about number of factors and actual results may differ, resulting in future changes to the allowance.

The carrying value of accounts and other receivables amounted to ₱3,834,663 and nil as of December 31, 2021, and 2020, respectively (Note 9). While the carrying value of advances to related party amounted to ₱49,602,511 and ₱9,198,954 as of December 31, 2021, and 2020, respectively (Note 18).

Allowance for credit losses amounted to ₱431,197 and nil as of December 31, 2021 and 2020. No write-off and recoveries either were recognized by the Company as of December 31, 2021 and 2020.

Assessing impairment of investment in a subsidiary

The Company assesses impairment on investment in a subsidiary whenever events or changes in circumstances indicate that the carrying amount of its investment may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant negative industry or economic trends; and
- Significant changes in the manner of use of the acquired assets or the strategy for overall business.

In determining the present value of estimated future cash flows expected to be generated from the investment, the Company is required to make judgment and estimates that can materially affect the separate financial statements.

No impairment loss on investment in a subsidiary was recognized in 2021 and 2020.

The carrying amount of the Company's investment in a subsidiary amounted to ₱2,773,232,325 and ₱2,741,567,825 as of December 31, 2021 and 2020, respectively. (see Note 13)

Estimating residual values and useful lives of property and equipment

The Company estimates residual values and useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation

of the useful lives of property and equipment is based on 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 by changes in the 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 recorded expenses and decrease non-current assets.

The carrying amounts of property and equipment amounted to ₱41,596,363 and ₱1,339,041 as of December 31, 2021 and 2020, respectively (see Note 11). Useful lives of property and equipment is disclosed in Note 3.12.

Estimating impairment losses on property and equipment

The Company assesses impairment on its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Company is required to make estimates that can materially affect the financial statements.

The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in 2021 and 2020.

Estimating allowance for impairment losses on non-financial assets (except property and equipment)

The Company provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Company's non-financial assets in 2021 and 2020.

Assessing realizability of deferred income tax assets

The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the amount 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 in the future. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

The Company did not recognize deferred tax assets on the carryforward benefits of NOLCO since management believes that it is more likely that the Company will not be able to realize their benefits in the future or prior to their expiration.

Retirement benefits

The determination of the obligation and cost of retirement benefits is dependent on certain assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 23 to the financial statements and include, among others, discount rates, salary increase rates and expected rates of return on plan assets. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, will generally affect the recognized expense and recorded obligation in such future periods. While the

Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

As of December 31, 2021 and 2020, the Company has no regular employees hence no accrued retirement benefits costs was recognized.

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments are composed of cash in banks, receivables and payables. The main purpose of these financial instruments is to raise finances for the Company's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Company's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

5.1 Objectives and policies

The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Company is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Company such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Company.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5.2 Interest rate risk

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at December 31, 2021 and 2020, the Company does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates of 6% and all other financial assets and liabilities are non-interest bearing.

5.3 Liquidity risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Company's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Company constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

	December 31, 2021			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in banks (Note 8)	P 155,657,797	P 155,657,797	P -	P -
Receivables (Note 9)	3,834,663	-	3,834,663	-
Security deposit (Note 10)	71,772	-	71,772	-
Construction bond (Note 10)	50,000	-	50,000	-
Advances to related parties (Note 18)	49,602,511	-	49,602,511	-
Total	P 209,216,743	P 155,657,797	P 53,558,946	P -
Financial liabilities at amortized cost				
Accounts and other payables* (Note 14)	P 1,096,936	P 1,096,936	P -	P -
Advances from contractor (Note 15)	39,570,200	-	39,570,200	-
Advances from related parties (Note 18)	1,819,239	-	-	1,819,239
Total	P 42,486,375	P 1,096,936	P 39,570,200	P 1,819,239

*excluding government liabilities

	December 31, 2020			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in banks (Note 8)	₱ 505,834	₱ 505,834	₱ -	₱ -
Security deposit (Note 10)	71,772	-	71,772	-
Construction bond (Note 10)	50,000	-	50,000	-
Advances to related parties (Note 18)	9,198,954	-	9,198,954	-
Total	₱ 9,826,560	₱ 505,834	₱ 9,320,726	₱ -
Financial liabilities at amortized cost				
Accounts and other payables* (Note 14)	₱ 1,167,692	₱ 1,167,692	₱ -	₱ -
Advances from contractor (Note 15)	3,651,000	3,651,000	-	-
Advances from related parties (Note 18)	1,775,024	-	-	1,775,024
Total	₱ 6,593,716	₱ 4,818,692	₱ -	₱ 1,775,024

*excluding government liabilities

5.3 Credit risk

Credit risk is the risk of financial loss to the Company when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements).

As at December 31, 2021 and 2020, the Company has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit quality per class of financial assets

The following table show a comparison of the credit quality of the Company's financial assets by class as at the reporting date:

	As at December 31, 2021				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at amortized cost					
Cash in banks (Note 8)	₱ 155,657,797	₱ -	₱ -	₱ -	₱ 155,657,797
Receivables (Note 9)	3,834,663	-	431,197	-	4,265,860
Security deposit (Note 10)	71,772	-	-	-	71,772
Construction bond (Note 10)	50,000	-	-	-	50,000
Advances to related party (Note 18)	49,602,511	-	828,686	-	50,431,197
Total	₱ 209,216,743	₱ -	₱ 1,259,883	₱ -	₱ 210,476,626

	As at December 31, 2020				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at amortized cost					
Cash in banks (Note 8)	₱ 505,834	₱ -	₱ -	₱ -	₱ 505,834
Security deposit (Note 10)	71,772	-	-	-	71,772
Construction bond (Note 10)	50,000	-	-	-	50,000
Advances to related party (Note 18)	9,198,954	-	-	-	9,198,954
Total	₱ 9,826,560	₱ -	₱ -	₱ -	₱ 9,826,560

The Company evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Company determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Company's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks

The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Advances to related party

This pertain to receivable from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Maximum Credit Risk Exposure

Financial information on the Company's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	December 31,	
	2021	2020
Financial assets at amortized cost		
Cash in banks (Note 8)	₱ 155,657,797	₱ 505,834
Receivables (Note 9)	4,265,860	-
Security deposit (Note 10)	71,772	71,772
Construction bond (Note 10)	50,000	50,000
Advances to related party (Note 18)	50,431,197	9,198,954
Total	₱ 210,476,626	₱ 9,826,560

The Company does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the Company deals with a large number of homogenous counterparties. The Company does not execute any credit guarantee in favor of any counterparty.

NOTE 6 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES, & PROCEDURES

The Company's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Company maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Company considers its equity as capital.

The Company monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	2021		2020
Total liabilities	P 43,635,531	P	7,689,518
Total equity	3,798,992,479	P	2,746,902,281
Debt-to-equity ratio	0.0115:1		0.0028:1

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

NOTE 7 – FAIR VALUE MEASUREMENT

7.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Company's financial instruments as of years ended December 31, 2020 and 2019:

	2021		2020	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets at amortized cost				
Cash in banks (Note 8)	P 155,657,797	155,657,797	P 505,834	P 505,834
Receivables (Note 9)	3,834,663	3,834,663	-	-
Security deposit (Note 10)	71,772	71,772	71,772	71,772
Construction bond (Note 10)	50,000	50,000	50,000	50,000
Advances to related party (Note 18)	49,602,511	49,602,511	9,198,954	9,198,954
Total	P 209,216,743	209,216,743	P 9,826,560	P 9,826,560
Financial liabilities at amortized cost				
Accounts and other payables* (Note 14)	P 1,096,936	1,096,936	P 1,167,692	P 1,167,692
Advances from contractor (Note 15)	39,570,200	39,570,200	3,651,000	3,651,000
Advances from related parties (Note 18)	1,819,239	1,819,239	1,775,024	1,775,024
Total	P 42,486,375	42,486,375	P 6,593,716	P 6,593,716

*excluding statutory liabilities

Cash, Accrued Expenses and Other Payables (excluding statutory payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial

instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

7.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Company's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the fair value hierarchy of the Company's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at December 31, 2020 and 2019:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	P 155,657,797	P -	P -	P 155,657,797
Receivables (Note 9)	-	-	3,834,663	3,834,663
Security deposit (Note 10)	-	-	71,772	71,772
Construction bond (Note 10)	-	-	50,000	50,000
Advances to related party (Note 18)	-	-	49,602,511	49,602,511
Total	P 155,657,797	P -	P 53,558,946	P 209,216,743
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 14)	P -	P -	P 1,096,936	P 1,096,936
Advances from contractors (Note 15)	-	-	39,570,200	39,570,200
Advances from related parties (Note 18)	-	-	1,819,239	1,819,239
Total	P -	P -	P 42,486,375	P 42,486,375
	<i>*excluding statutory liabilities</i>			
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	P 505,834	P -	P -	P 505,834
Security deposit (Note 10)	-	-	71,772	71,772
Construction bond (Note 10)	-	-	50,000	50,000
Advances to related party (Note 18)	-	-	9,198,954	9,198,954
Total	P 505,834	P -	P 9,320,726	P 9,826,560
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 14)	P -	P -	P 1,167,692	P 1,167,692
Advances from contractors (Note 15)	-	-	3,651,000	3,651,000
Advances from related parties (Note 18)	-	-	1,775,024	1,775,024
Total	P -	P -	P 6,593,716	P 6,593,716
	<i>*excluding statutory liabilities</i>			

As at December 31, 2021 and 2020, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2021 and 2020.

Financial instruments not measured at fair value for which fair value is disclosed

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

NOTE 8 – CASH IN BANKS

As of December 31, 2021 and 2020, this account amounted to ₱155,657,797 and ₱505,834, respectively.

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱35,109 and ₱1,485 for the years ended December 31, 2021 and 2020, respectively.

NOTE 9 – RECEIVABLES

As of December 31, this account consists of the following:

Particulars	2021
Advances to CBO	₱ 4,240,000
Advances to employees	25,860
Total	4,265,860
Allowance for expected credit losses	(431,197)
Net	₱ 3,834,663

Movement of allowance for expected credit losses is as follows:

Particulars	2021
January 1,	₱ -
Provision (Note 19)	431,197
Write off	-
Reversals	-
December 31,	₱ 431,197

The account is nil as of December 31, 2020.

NOTE 10 – OTHER CURRENT ASSETS

As of December 31, this account consists of the following:

Particulars	2021	2020
Input taxes (Note 26)	₱ 1,527,471	₱ 620,864
Prior year's excess tax credit	1,237,509	1,237,509
Security deposit (Note 22)	71,772	71,772
Prepaid rent (Note 22)	67,077	-
Construction bonds	50,000	50,000
Total	₱ 2,953,829	₱ 1,980,145

Input tax is the 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of each taxable period, input tax can be applied against output tax.

Prior year's excess credits represent excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Security deposits represent noninterest-bearing deposits made on lease and are usually refundable after the end of contract or services less any charges. Construction bonds represent noninterest-bearing bonds that are used to secure against damages during construction and will be refundable after the end of construction, net of any charges.

NOTE 11 – PROPERTY AND EQUIPMENT, NET

The movement of the property and equipment is as follows:

Particulars	December 31, 2021			
	Beginning Balance	Additions	Disposal	Ending Balance
Cost:				
Leasehold improvements	₱ 1,358,606	₱ 125,500	₱ -	₱ 1,484,106
Office furniture and fixtures	50,400	200,588	-	250,988
Computer software	-	257,628	-	257,628
Machineries and equipment	-	40,000,000	-	40,000,000
Sub-total	1,409,006	₱ 40,583,716	₱ -	41,992,722
Accumulated depreciation:				
Leasehold improvements	69,218	₱ 295,148	₱ -	364,366
Office furniture and fixtures	747	23,947	-	24,694
Computer software	-	7,299	-	7,299
Sub-total	69,965	₱ 326,394	₱ -	396,359
Net Book Value	₱ 1,339,041			₱ 41,596,363
Particulars	December 31, 2020			
	Beginning Balance	Additions	Disposal	Ending Balance
Cost:				
Leasehold improvements	₱ -	₱ 1,358,606	₱ -	₱ 1,358,606
Office furniture and fixtures	-	50,400	-	50,400
Sub-total	-	₱ 1,409,006	₱ -	1,409,006
Accumulated depreciation:				
Leasehold improvements	-	₱ 69,218	₱ -	69,218
Office furniture and fixtures	-	747	-	747
Sub-total	-	69,965	-	69,965
Net Book Value	₱ -			₱ 1,339,041

The Company elected to use the cost model in accounting for property and equipment. They also believed that the carrying amount of its property and equipment during the year are not impaired.

Depreciation charged in the statements of income for the years ended December 31, 2021 and 2020 amounted to ₱326,394 and ₱69,965 (Note 19), respectively.

None of the properties were pledged or mortgaged as collateral to secure any of the Company's loans.

NOTE 12 – INVESTMENT IN AN ASSOCIATE

In 2021, the Company acquired 49% ownership of Poet Blue Ocean.

As of December 31, this account consists of the following:

Particulars	2021
Cost	P 711,980,880
Equity in net earnings	<u>97,772,094</u>
Total	<u>P 809,752,974</u>

Movement of equity in net earnings is as follows:

Particulars	2021
January 1,	P -
Share in net earnings for the year	<u>97,772,094</u>
December 31,	<u>P 97,772,094</u>

There were no dividends declared as of December 31, 2021.

As of December 31, 2020, the account is nil.

NOTE 13 – INVESTMENT IN SUBSIDIARIES

Movements of this account are as follows:

As of December 31, 2021,

	JDVC		JDVC Indonesia		Total Amount
	No. of shares	Amount	No. of shares	Amount	
At January 1,	4,523,270	P 2,741,567,825	-	P -	P 2,741,567,825
Acquisitions during the year	<u>-</u>	<u>-</u>	<u>904,700</u>	<u>31,664,500</u>	<u>31,664,500</u>
At December 31,	<u>4,523,270</u>	<u>P 2,741,567,825</u>	<u>904,700</u>	<u>P 31,664,500</u>	<u>P 2,773,232,325</u>

As of December 31, 2020,

	JVDC	
	No. of shares	Amount
At January 1,	P 4,523,270	P 2,741,567,825
Acquisitions during the year	<u>-</u>	<u>-</u>
At December 31,	<u>P 4,523,270</u>	<u>P 2,741,567,825</u>

In 2017, the Company acquired 82.67% ownership interest or 4,133,740 shares of JDVC Resources Corporation (JDVC) from existing shareholders of JDVC through a share swap agreement approved by the SEC on October 9, 2017. The aggregate transfer value based on the appraised value of JDVC's net assets at acquisition date is P2,473,960,715 or P598.48 a share.

In December 2019, the Company purchased additional 389,530 shares of JDVC from its existing shareholders for P267.6 million resulting to an increase in ownership of JDVC to 90.47% as at December 31, 2019. JDVC is a domestic corporation registered with the Philippine SEC on June 10, 1998 to engage in the business of offshore

exploring, prospecting and operating mines and quarries of magnetite iron sand and other kinds of ores and minerals. JDVC is a holder of Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-Amended A which grants the Subsidiary the right to explore and develop magnetite resources within a specified area in Cagayan province.

On August 6, 2019, the DENR approved the Declaration of Mining Project Feasibility of JDVC and has authorized the Subsidiary to proceed to the development, including extraction and commercial disposition of magnetite iron sand other associated minerals at the offshore areas in the Province of Cagayan covered by the MPSA. The Company's management believes that future economic benefits will be available once the Subsidiary commences its operations in 2021.

As at December 31, 2021 and 2020, JDVC has not yet started its offshore mining operations and has a deficit of P60 million and P40 million, respectively.

PT JDVC Resources Indonesia (JDVC Indonesia) was incorporated on September 27, 2021, and the Company acquired 90.47% ownership interest or 904,700 shares by cash infusion at par value on the same date. The aggregate transfer value based on the appraised value of JDVC Indonesia's net assets at acquisition date is P31,664,500 or P35 a share.

There were no dividends received from the investment in 2021 and 2020. The following summarizes the financial information of JDVC:

Particulars	2021	2020
Current assets	P 13,456,802	P 2,365,089
Noncurrent assets	870,172,527	841,142,556
Current liabilities	130,320,813	113,962,037
Noncurrent liabilities	313,563,885	269,749,562
Revenue	-	-
Net loss	20,051,415	11,936,796

The following summarizes the financial information of JDVC Indonesia:

Particulars	2021
Current assets	P 35,432,092
Noncurrent assets	-
Current liabilities	2,945,157
Noncurrent liabilities	-
Revenue	-
Net loss	2,513,065

NOTE 14 – ACCOUNTS AND OTHER PAYABLES

As of December 31, this account consists of the following:

Particulars	2021	2020
Deferred output VAT	P 818,036	P 818,036
Accounts payable	580,335	611,361
Accrued expenses	516,601	556,331
Statutory payables	331,120	277,766
Total	P 2,246,092	P 2,263,494

Statutory payables consist of withholding taxes and other payables to government agencies. Accrued expenses include professional fees and various unpaid expenses. Accounts payable consist of unsecured liabilities arising from transactions with contractors and suppliers related to the normal course of business.

These liabilities are unsecured and noninterest-bearing and are normally settled within the next 12 months.

NOTE 15 – ADVANCES FROM CONTRACTOR

This account pertains to the advances received from Cagayan Blue Ocean (CBO). As of December 31, 2021 and 2020, the account amounted to ₱39,570,200 and ₱3,651,000, respectively.

NOTE 16 – SHARE CAPITAL

As of December 31, the share capital of the Company is as follows:

Particulars	2021		2020	
	No. of shares	Amount	No. of shares	Amount
Authorized ₱0.01 par				
Balance at beginning and end of year	<u>600,000,000,000</u>	<u>₱ 6,000,000,000</u>	<u>600,000,000,000</u>	<u>₱ 6,000,000,000</u>
Issued and Outstanding				
Balance at beginning of year	<u>280,336,349,297</u>	<u>₱ 2,803,363,493</u>	<u>280,336,349,297</u>	<u>₱ 2,803,363,493</u>
Issuance of shares	<u>12,350,000,000</u>	<u>123,500,000</u>		
Balance at end of year	<u>292,686,349,297</u>	<u>2,926,863,493</u>	<u>280,336,349,297</u>	<u>₱ 2,803,363,493</u>

Below is the track record of issuance of the Parent Company's securities:

Date of Approval	Nature	Number of shares		
		Authorized	Issued/ Subscribed	Issue/ Offer Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01
August 6, 2021	Follow-on offering	600,000,000,000	12,350,000,000	0.08

Issuance of Capital Stock

On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of ₱0.08, with a par value of ₱0.01 per share. Offer shares were approved for listing on August 31, 2021.

Increase in Authorized Capital Stock of APL

On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1,000,000,000 divided into 100,000,000,000 shares to ₱6,000,000,000 divided into 600,000,000,000 shares both with a par value of ₱0.01.

Convertible Loan Agreement

On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

On September 11, 2019, the third party exercised the right to convert the loan at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the Securities and Exchange Commission (SEC) on the 7th day of December 2020.

The total number of stockholders of the Parent Company is 805 as of December 31, 2021.

NOTE 17 – SHARE PREMIUM

As of December 31, the movements of additional paid-in capital are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	P 17,586,961	P 17,586,961
Share premium on common shares issued during the year		
Gross proceeds	988,000,000	-
Less: Directly attributable issuance costs	14,014,981	-
Par value of issued shares	<u>123,500,000</u>	<u>-</u>
Subtotal	<u>850,485,019</u>	<u>-</u>
End	P <u>868,071,980</u>	P <u>17,586,961</u>

Share premium arises when the amount subscribed is in excess of nominal value.

Issuance of Capital Stock

On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of P0.08, with a par value of P0.01 per share. Offer shares were approved for listing on August 31, 2021.

NOTE 18 – RELATED PARTY TRANSACTIONS

The details of the Company's related parties are summarized as follows:

<u>Name of related party</u>	<u>Relationship</u>	<u>Country of incorporation</u>
JDVC Resource Corporation	Subsidiary	Philippines
Individuals	Key management personnel/shareholders	-

Significant transactions with related parties are as follows:

As of December 31, 2021,

<u>Related Party</u>	<u>Transactions</u>	<u>Outstanding Balance</u>	<u>Nature</u>	<u>Terms and Conditions</u>
Advances to related party				
JDVC Resource Corporation	P <u>41,232,243</u>	P <u>50,431,197</u>	Reimbursement of Expenses	Short-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	P <u>44,215</u>	P <u>1,819,239</u>	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

As of December 31, 2020,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances to related party				
JDVC Resource Corporation	P <u>(5,738,515)</u>	P <u>9,198,954</u>	Reimbursement of Expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	P <u>92,041</u>	P <u>1,775,024</u>	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

Terms and Conditions of Transactions with Related Parties

Advances to (from) Related Parties

Advances to (from) related parties are unsecured, noninterest-bearing, collectible and/or payable beyond 12 months and settlement occurs in cash. The Company did not recognize expected credit loss from advances to related parties. This assessment is undertaken each financial year by examining capacity and financial position of the related parties.

In 2021, an allowance for expected credit losses was recognized for advances to a related party amounting to P828,686. As of December 31, this account consists of the following:

Particulars	2021
Advances to a related party	P 50,431,197
Allowance for expected credit losses (Note 19)	<u>(828,686)</u>
Net	P <u>49,602,511</u>

No allowance for expected credit losses was recognized in 2020.

Compensation of Key Management Personnel

Since the Company is in its pre-operating stages, there are no key management personnel compensation recognized 2021 and 2020, since the officers offer their services pro-bono to save on operating costs. Likewise, the Company does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

NOTE 19 – GENERAL AND ADMINISTRATIVE EXPENSES

As of December 31, this account consists of the following:

Particulars	2021	2020
Professional fees	P 11,654,467	P 1,841,650
Repairs and maintenance	5,720,512	5,550
Commission expense	1,764,286	-
Provision for expected credit losses (Note 9 & 18)	1,259,883	-
Escrow and lodging fees	938,635	-
Foreign exchange loss	904,700	-
Taxes and licenses (Note 26)	857,036	1,116,331
Rent (Note 22)	737,851	804,928
Salaries expense	412,500	-
Depreciation (Note 11)	326,394	69,965
Representation	265,247	-
Fines and penalties	198,000	-
Advertising	146,063	170,048
Travel and transportation	84,755	80,760
Office supplies	33,418	60,000
Others	395,825	202,477
Total	P 25,699,572	P 4,351,709

Others mainly include expenses incurred for Company's utilities, dues, and bank service charges, etc.

NOTE 20 – INCOME TAXES

Tax expense (benefit) consists of the following:

Particulars	2021	2020
Current tax expense	P -	P -
Deferred tax income, net	6,309,081	-
Income tax benefit	P 6,309,081	P -

For the year ended December 31, 2021, the schedule of deferred tax assets is as follows:

	Statement of Financial Position	Statement of Comprehensive Income
Deferred tax assets:		
NOLCO	P 5,994,110	P 5,994,110
ECL	314,971	314,971
Deferred tax assets – net	P 6,309,081	
Deferred tax benefit – net		P 6,309,081

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the statement of financial position as deferred tax assets and are reported at current statutory tax rates.

In 2020, the Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Group's deferred tax assets can be utilized. Hence, no deferred tax benefit was recognized.

Details of the Company's NOLCO are as follows:

<u>Year incurred</u>	<u>Valid Until</u>	<u>Original Amount</u>	<u>Used/Expired</u>	<u>Balance</u>	<u>Tax Effect</u>
2021	2026	₱ 23,976,441	₱ -	₱ 23,976,441	₱ 5,994,110
2020	2025	4,351,709	-	4,351,709	830,651
2019	2022	3,873,124	-	3,873,124	1,161,937
2018	2021	3,448,254	(3,448,254)	-	-
		₱ 35,649,528	₱ (3,448,254)	₱ 32,201,274	₱ 7,986,698

Details of the Company's ECL are as follows:

<u>Year incurred</u>	<u>Original Amount</u>	<u>Write-off/ Reversed</u>	<u>Balance</u>	<u>Tax Effect</u>
2021	₱ 1,259,883	₱ -	₱ 1,259,883	₱ 314,971

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Company is subject to Minimum Corporate Income Tax (MCIT) which is computed at 2% of gross income, as defined under tax regulations, or RCIT, whichever is higher. Both in 2021 and 2020, the Company does not have gross income hence not liable to MCIT nor RCIT.

Details of the Company's MCIT are as follows:

<u>Year incurred</u>	<u>Valid Until</u>	<u>Beginning balance</u>	<u>Incurred</u>	<u>Expired</u>	<u>Ending Balance</u>	<u>Tax Effect</u>
2021	2024	₱ -	₱ -	₱ -	₱ -	₱ -
2020	2023	-	-	-	-	-
2019	2022	2,272,321	-	-	2,272,321	45,446
2018	2021	2,272,321	-	(2,272,321)	-	-
		₱ 4,544,642	₱ -	₱ (2,272,321)	₱ 2,272,321	₱ 45,446

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

	<u>2021</u>	<u>2020</u>
Income tax at statutory tax rate	₱ 18,026,908	₱ (1,305,067)
Tax effects of:		
Non-deductible expenses	115,811	-
Share in net earnings of associate	(24,443,023)	-
Income subject to final tax	(8,777)	(445)
Unrecognized DTA on NOLCO	-	1,305,512
Income tax benefit	₱ (6,309,081)	₱ -

NOTE 21 – EARNINGS(LOSS) PER SHARE

As of December 31, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

	<u>2021</u>	<u>2020</u>
Net income(loss) attributable to the equity holders of the Company	P <u>78,466,212</u>	P <u>(4,350,224)</u>
Weighted average number of shares outstanding:		
Balance at beginning of year	280,336,349,297	280,336,349,297
Effect of share issuances	<u>4,116,666,667</u>	<u>-</u>
Balance at end of year	<u>284,453,015,964</u>	<u>280,336,349,297</u>
Basic/Diluted earnings(loss) per share	P <u>0.00028</u>	P <u>(0.00002)</u>

Diluted earnings per share is equal to the basic earnings per share since the Company does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 22 – SIGNIFICANT COMMITMENTS AND CONTINGENCIES**Lease Agreements**

In 2016, the Subsidiary entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by the Subsidiary on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum. Security deposit amounted to P0.1 million as at December 31, 2020 (see Note 10). The contract was renewed in 2021, rental deposit and security deposit amounted to P67,077 and P71,772, respectively as of December 31, 2021 (see Note 10) As discussed in Note 2, the asset pertaining to such lease was classified as a short-term lease and its related rental payments are recognized in profit or loss on a straight-line basis.

Rent expense amounted to P737,851 and P804,928, for the years ended December 30, 2021 and 2020, respectively. (see Note 19)

COVID-19 Impact

In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company's timeline for the commencement of the operations were delayed due to limited movement within the region and the start of monsoon season.

The overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by the government, businesses and individuals, which could result in different outcomes.

Considering the evolving nature of the outbreak, the Company will continue to monitor the situation in subsequent periods.

NOTE 23 – OTHER MATTERS

23.1 Retirement benefits

The Company does not yet provide post-employment benefits to its employees. Management believes that the retirement expense is not significant since the Company has no regular employees as of period ended December 31, 2021.

23.2 Note to statement of cash flows

The table below details changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes.

Particulars	January 1, 2021	Cash flows	Reclassification	Interest expense	December 31, 2021
Advances from related parties	P 1,775,024	P 44,215	-	-	P 1,819,239
Total liabilities from financing activities	P 1,775,024	P 44,215	-	-	P 1,819,239

Particulars	January 1, 2020	Cash flows	Reclassification	Interest expense	December 31, 2020
Advances from related parties	P 1,682,983	P 92,041	P -	P -	P 1,775,024
Total liabilities from financing activities	P 1,682,983	P 92,041	P -	P -	P 1,775,024

Non-cash Activities

The Company had no non-cash investing or financing activity-related transactions for the year ended December 31, 2021 and 2020.

NOTE 24 – CONTINGENCIES

The Company is a not party to any legal proceedings. There are no taxes, assessment and charges of whatsoever nature levied upon or against the Company, or against its properties, revenues, and assets.

NOTE 25 – EVENTS AFTER THE REPORTING PERIOD

Continuing COVID-19 Pandemic

The COVID-19 pandemic could have a material impact on the Company's financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Company will continue to monitor the situation.

NOTE 26 – SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

I. Information required under revenue Revenue Regulation (RR) No. 15-2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

26.1 Output tax

The Company has not declared any output VAT during the year as there are no transactions that would be subject to these taxes.

The Company has no zero-rated and exempt sales for the year ended December 31, 2021 pursuant to the provisions of Sections 106 (A) (2) and 108 (B) of the Tax Code.

26.2 Input tax

The amount of VAT Input taxes claimed are broken down as follows:

a. Beginning of the year (Note 10)	P	620,864
b. Current year's domestic purchases:		
Services lodged under other accounts		906,607
c. Claims for tax credit/refund and other adjustments		<u>-</u>
d. Balance at the end of year (Note 10)	P	<u>1,527,471</u>

26.3 Importation

The Company has not paid any custom duties and tariff fees during the year as there are no transactions that would be subject to these taxes.

26.4 Excise taxes

The Company has not paid any excise taxes during the year as there are no transactions that would be subject to these taxes.

26.5 Documentary stamp tax

Documentary stamp tax paid (DST) amounting to P1,235,000 was paid in 2021.

26.6 Other taxes and licenses

<u>Particulars</u>	<u>Amount</u>
Filing and processing fee	P 374,580
Annual listing fee	355,840
Others	<u>126,616</u>
Total	P <u>857,036</u>

26.7 Withholding taxes

The Company has no regular employees hence no withholding tax on compensation was paid in 2021.

Total expanded withholding tax paid in 2021 amounted to 696,005.

26.8 Deficiency tax assessments

As of reporting date, the Company has no pending tax court cases or tax notices received from the BIR.

26.9 Deficiency tax assessments

As at December 31, 2021, the Company has no pending tax court cases nor has received tax assessment notices from the BIR.

II. BIR Revenue Regulation (RR) 34-2020

On December 18, 2020, BIR issued RR 34-2020 which prescribed the guidelines and procedures for the submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending the pertinent provision of RR No. 19-2020 and RR No. 15-2010.

The Company is covered by the requirements and procedures for related party transactions under the said regulation as it is one of the following taxpayers required to file and submit the RPT Form together with the Annual Income Tax Return (AITR) as provided under Section 2 thereof:

- a. Large taxpayer;
- b. Taxpayers enjoying tax incentives, i.e. Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;
- c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and
- d. A related party, as defined under Section 3 of Revenue Regulations (RR) No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR No. 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)
As of year ended December 31, 2021

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula	As of December 31,	
		2021	2020
Current Ratio	Total current assets	212,048,800	11,684,933
	Divided by: Total current liabilities	41,816,292	5,914,494
	Current ratio	5.07	1.98
Acid test ratio	Total current assets	212,048,800	11,684,933
	Less: Other current assets	2,953,829	1,980,145
	Quick assets	209,094,971	9,704,788
	Divide by: Total current liabilities	41,816,292	5,914,494
	Acid test ratio	5.00	1.64
Solvency Ratio	Net income(loss)	78,416,712	(4,350,224)
	Add: Depreciation	326,394	69,965
		78,743,106	(4,280,259)
	Divide by: Total liabilities	41,816,292	5,914,494
	Solvency ratio	1.88	(0.72)
Debt-to-Equity Ratio	Total liabilities	41,816,292	5,914,494
	Divided by: Total Equity	3,799,304,012	2,746,902,281
	Debt-to-equity ratio	0.011	0.002
Asset-to-equity ratio	Total assets	3,842,939,543	2,754,591,799
	Divided by: Total equity	3,799,304,012	2,746,902,281
	Asset-to-equity ratio	1.01	1.00
Interest rate coverage ratio	Loss before income tax	72,107,631	(4,350,224)
	Add: Interest expense	-	-
		72,107,631	(4,350,224)
	Divided by: Interest expense	-	-
	Interest rate coverage ratio	N/A	N/A
Return on equity	Net income(loss)	78,416,712	(4,350,224)
	Divided by: Total equity	3,799,304,012	2,746,902,281
	Return on equity	0.0206	(0.0016)
Return on assets	Net income(loss)	78,416,712	(4,350,224)
	Divided by: Total assets	3,842,939,543	2,754,591,799
	Return on assets	0.0204	(0.0016)
Net profit margin	Net income(loss)	78,416,712	(4,350,224)
	Net sales	N/A	N/A
	Net profit margin	N/A	N/A
<i>Other ratios</i>			
Basic earnings (loss) per share	Net income(loss) attributable to the equity holders of the Company	78,416,712	(4,350,224)
	Divided by: Weighted average number of shares outstanding	284,453,015,964	280,336,349,297
	Basic earnings (loss) per share	0.00028	(0.00002)
Diluted earnings (loss) per share	Net income(loss) attributable to the equity holders of the Company	78,416,712	(4,350,224)
	Divided by: Weighted average number of diluted shares outstanding	284,453,015,964	280,336,349,297
	Diluted earnings (loss) per share	0.00028	(0.00002)