Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
BHI Holdings, Inc.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre
146 Valero Street, Salcedo Village
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BHI Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of Due from a Related Party

Description of the Matter

The valuation of due from a related party is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. Under the guidelines of PFRS 9, *Financial Instruments*, the Company assesses its expected credit loss on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

As of December 31, 2021, the Company has loans receivable, shown as due from a related party, amounting to P100.0 million, which represents 97% of the Company's total assets. The Company's management exercises significant judgment and use subjective estimates in determining when and how much to recognize impairment loss on loans receivable. These judgments and estimates, which are detailed in the Company's significant accounting policies, judgments and estimates in Notes 2 and 3 to the financial statements, include the approach applied by the Company in assessing the impairment of assets. Based on management's assessment, no allowance for impairment is required to be recognized in the financial statements as the amount of adjustments were identified by management to be immaterial to the Company. The disclosures of the Company on due from a related party and the related credit risk are included in Notes 4 and 11 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the valuation of due from a related party, which was considered to be a significant risk, included obtaining and understanding of the Company's policy on impairment of loans receivable and assessing the borrower's capacity to pay through examination of payment history and the borrower's latest available financial information. We have also considered the adequacy of the Company's disclosure in relation to due from a related party account.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A for the year ended December 31, 2021, but does not include the financial statements and our auditors' report thereon. The Definitive Information Statement and SEC Form 17-A for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2021 required by the Bureau of Internal Revenue as disclosed in Note 15 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS; neither is it required by the Revised Securities Regulation Code Rule 68 of the SEC. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the 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.

The engagement partner on the audit resulting in this independent auditors' report is John Endel S. Mata.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 8852338, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 18, 2022

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(Amounts in Philippine Pesos)

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash	2	P 324,234	P 123,085
Due from a related party	4	100,000,000	46,000,000
Interest receivable	4	-	254,795
Input value-added tax		2,867,144	2,755,050
Total Current Assets		103,191,378	49,132,930
NON-CURRENT ASSET			
Due from a related party	4	-	54,000,000
TOTAL ASSETS		P 103,191,378	P 103,132,930
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accrued expenses and other payables	5	P 4,070,364	P 4,409,043
Due to a stockholder	4	867,116	867,116
Income tax payable		20,137	15,123
Total Liabilities		4,957,617	5,291,282
EQUITY			
Capital stock	8	50,000,000	50,000,000
Additional paid-in capital	2	7,520,755	7,520,755
Retained earnings		40,713,006	40,320,893
Total Equity		98,233,761	97,841,648
TOTAL LIABILITIES AND EQUITY		P 103,191,378	P 103,132,930

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
REVENUES				
Interest income from loans	4	P 3,000,000	P 3,007,568	P 3,000,000
Interest income from cash in banks	2	336	731	812
Miscellaneous income	5	-	133,893	-
		3,000,336	3,142,192	3,000,812
OPERATING EXPENSES				
Salaries and employee benefits	4	1,164,000	1,164,000	1,164,000
Rent	4, 10	180,000	300,000	300,000
Other operating expenses	6	1,247,185	2,040,828	1,623,320
		2,591,185	3,504,828	3,087,320
PROFIT (LOSS) BEFORE TAX		409,151	(362,636)	(86,508)
TAX EXPENSE	7	17,038	60,297	60,162
NET PROFIT (LOSS)		392,113	(422,933)	(146,670)
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		P 392,113	(P 422,933)	(P 146,670)
Basic and Diluted Earnings (Loss) Per Share	9	P 0.78	(P 0.85)	(P 0.29)

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(Amounts in Philippine Pesos)

	Notes	**2021**	2020	2019
CAPITAL STOCK	8	**P 50,000,000**	P 50,000,000	P 50,000,000
ADDITIONAL PAID-IN CAPITAL	2	**7,520,755**	7,520,755	7,520,755
RETAINED EARNINGS				
Balance at beginning of year		**40,320,893**	40,743,826	40,890,496
Total comprehensive income (loss) during the year		**392,113**	(422,933)	(146,670)
Balance at end of year		**40,713,006**	40,320,893	40,743,826
TOTAL EQUITY		**P 98,233,761**	P 97,841,648	P 98,264,581

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**P 409,151**	(P 362,636)	(P 86,508)
Adjustments for:				
Interest income from loans	4	**(3,000,000)**	(3,007,568)	(3,000,000)
Interest income from cash in banks	2	**(336)**	(731)	(813)
Gain on derecognition of financial liabilities	5	**-**	(133,893)	-
Operating loss before working capital changes		**(2,591,185)**	(3,504,828)	(3,087,321)
Increase in input value-added tax		**(112,094)**	(135,343)	(97,920)
Increase (decrease) in accrued expenses and other payables		**(338,679)**	362,413	388,644
Cash used in operations		**(3,041,958)**	(3,277,758)	(2,796,597)
Interest received		**3,255,131**	3,008,299	3,000,813
Cash paid for income taxes		**(12,024)**	(60,297)	(60,162)
NET INCREASE (DECREASE) IN CASH		**201,149**	(329,756)	144,054
CASH AT BEGINNING OF YEAR		**123,085**	452,841	308,787
CASH AT END OF YEAR		**P 324,234**	P 123,085	P 452,841

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

BHI Holdings, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 24, 1963 to engage primarily in the insurance business. On November 4, 1999, the SEC approved the change in the Company's corporate name from Consolidated Insurance Company, Inc. to BHI Holdings, Inc. and, concurrently, the change in its primary purpose from that of a non-life insurance company to an investment holding company.

The Company's shares of stock are listed for trading at the Philippine Stock Exchange (PSE). Bulk Handlers, Inc. (the Parent Company), a domestic corporation, owns 89.88% of the Company's capital stock. The Parent Company is currently engaged in the business of warehouse leasing and terminal operations.

To date, the Company's operations are limited to maintaining and generating interest income on loans granted to a related party (see Note 1.2). Accordingly, no business segment information is presented in its financial statements.

The registered office address of the Company and the Parent Company, which is also their principal place of business, is located at 22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City.

1.2 Status of Operations

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years. As indicated in Note 1.1, its present source of revenue is limited to interest income generated from its loans granted to a related party (see Note 4). As such, the Company has only two employees handling mainly administrative functions due to limited transactions of the Company as of December 31, 2021 (see Note 2.7). The Company's management, however, continues to assess possible investment opportunities that it can embark on.

1.3 Continuing Impact of COVID-19 Pandemic on Company's Business

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020 and its impact has been continuing until the date of the approval of these financial statements. The measures taken by the government to contain the virus have affected economic conditions and the Company`s business operations. While the unfavorable situation is currently expected to be temporary, management has assessed that such does not have significant impact to the Company since the Company has minimal and inactive operations.

1.4 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2021 (including the comparative financial statements as of December 31, 2020 and for the years ended December 31, 2020 and 2019) were authorized for issue by the Company's Board of Directors (BOD) on April 18, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements.* The Company presents all items of income, expenses and other comprehensive income in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

The financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts, except when otherwise indicated.

Items included in the financial statements are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS

(a) Effective in 2021 that are Relevant to the Company

The Company adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2021:

PFRS 9, PFRS 7, and PFRS 16 (Amendments)	:	Interest Rate Benchmark Reform Phase 2 Financial Instruments, Financial Instruments: Disclosure, Leases
PFRS 16 (Amendments)	:	COVID-19-Related Rent Concessions Beyond June 30, 2021

Discussed below are the relevant information about these pronouncements.

(i) PFRS 9 (Amendments), *Financial Instruments*, PFRS 7 (Amendments*), Financial Instruments: Disclosures*, and PFRS 16 (Amendments), *Leases – Interest Rate Benchmark Reform Phase 2*. The amendments address issues that may affect financial reporting during the interest rate benchmark reform, including the effect of changes to contractual cash flows or hedging relationships resulting from the replacement of the London Interbank Offered Rate with alternative benchmark rates. The application of these amendments had no significant impact on the Company's financial statements.

(ii) PFRS 16 *Leases-COVID-19-Related Rent Concessions beyond June 30, 2021*. The Company opted to adopt early the application of these amendments, which is effective from April 1, 2021. The amendment extends for one year the use of practical expedient of not assessing whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The application of these amendments had no significant impact on the Company's financial statements as it did not receive any rent concessions from its lessors.

(b) Effective Subsequent to 2021 but not Adopted Early

There are amendments and annual improvements to existing standards effective for annual periods subsequent to 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective from January 1, 2022)

(ii) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective from January 1, 2022)

(iii) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Company:

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities*

- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives.* The improvement merely removes potential for confusion regarding lease incentives.

(iv) PAS 1 (Amendments), *Presentation of Financial Statement – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023)

(v) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies* (effective from January 1, 2023)

(vi) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates* (effective from January 1, 2023)

(vii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (effective from January 1, 2023)

2.3 Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial statements.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation.* All other non-derivative financial instruments are treated as debt instruments.

(i) Classification and Measurement of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Currently, all of the Company's financial assets are classified and measured at amortized cost.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are sole payments of principal and interest on the principal amount outstanding.

Except for due from a related party that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses (ECL).

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash, Due from a Related Party and Interest Receivable.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after end of reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash generally pertain to cash on hand and demand deposits which are unrestricted as to withdrawal and readily available for use in the Company's operations.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, if any, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of comprehensive income as Interest Income from Cash in Banks and Interest Income from Loans.

(ii) Impairment of Financial Assets

At the end of the reporting period, the Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

The Company also assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.

- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral or effect of any credit enhancement.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the statement of financial position.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which include accrued expenses and other payables (excluding tax-related liabilities) and due to a stockholder, are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for those with maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.4 Other Asset

Other current asset pertains to other resources controlled by the Company as a result of past events. This is recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

The carrying amount of other asset is written down immediately to its recoverable amount if the carrying amount of other assets is greater than its estimated recoverable amount (see Note 2.9).

2.5 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.6 Revenue and Expense Recognition

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. Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Expenses are recognized in profit or loss upon utilization of goods and services or at the date they are incurred.

2.7 Employee Benefits

The Company has not established a formal retirement plan yet. It is also not covered by the provisions of Republic Act (R.A.) No. 7641, *The Retirement Pay Law*, since it employs not more than ten employees (see also Note 1.2). However, the Company provides to its employees the following benefits:

(a) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions to an independent entity (i.e. Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(b) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Accrued Expenses and Other Payables in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.8 Leases – Company as Lessee

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

2.9 Impairment of Non-financial Assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that the assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (estimated selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.10 Income Taxes

Tax expense recognized in the profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or current tax liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.11 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Transactions amounting to 10% or more of the total assets based on the latest audited financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2009, *Rules on Material Related Party Transactions for Publicly-listed Companies*.

All individual material related party transactions shall be approved by at least two-thirds vote of the board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors voting to approve the material related party is not secured, the material related party transaction may be ratified by the vote of the stockholder's representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same board of approval would be required for the transaction(s) that meets and exceed the materiality threshold covering the same related party.

Directors with personal interest in the transaction should abstain from participating in the discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

2.12 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital pertains to premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Retained earnings represent all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income.

2.13 Earnings (Loss) Per Share

Basic earnings (loss) per common share is determined by dividing net profit (loss) by the weighted average number of common shares subscribed and issued during the period, after retroactive adjustment for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted earnings (loss) per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have potentially dilutive shares outstanding; hence, the diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

2.14 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Determination of ECL on Due From a Related Party

The Company uses a provision matrix to calculate ECL for due from a related party. The provision rates are based on days past due. The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions) [see Note 11.1(ii)].

(b) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.5 and relevant disclosures of commitments and contingencies are presented in Note 10.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of debtors defaulting and the resulting losses) (see Note 11.1).

(b) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets, which arise from minimum corporate income tax (MCIT) and net operating loss carry over (NOLCO), at the end of each reporting period and reduces the carrying 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 asset to be utilized.

No deferred tax assets were recognized since the Company's management believes that it may not be able to generate sufficient taxable income within the periods in which the related benefits can be applied (see Note 7).

(c) Impairment of Non-financial Assets

The Company's policy on estimating the impairment of non-financial assets is discussed in Note 2.9. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, there are no impairment losses required to be recognized on the Company's non-financial assets as of December 31, 2021 and 2020.

4. RELATED PARTY TRANSACTIONS

The Company's related parties include its Parent Company, stockholders, other related parties through common ownership, key management personnel and others as defined in Note 2.11. A summary of the Company's related party transactions is presented below and in the succeeding pages.

		Amounts of Transactions			**Outstanding Balance**	
	Note	**2021**	2020	2019	**2021**	2020
Stockholder:						
Accommodation of expenses	4.3 (a)	**P -**	P -	P -	**P 867,116**	P 867,116
Consultancy fees	4.3 (b)	**360,000**	804,000	804,000	-	-
Related party under common ownership and with interlocking directors and officers:						
Original loan receivable	4.1 (a)	**-**	-	-	**46,000,000**	46,000,000
Interest on original loan – actual	4.1 (a)	**1,380,000**	1,383,781	1,380,000	**-**	117,205
Assumed portion of loan receivable	4.1 (b)	**-**	-	-	**54,000,000**	54,000,000
Interest on assumed loan – actual	4.1(b)	**1,620,000**	1,623,787	1,620,000	**-**	137,590
Rental and utilities	4.2	**211,200**	381,600	381,600	**3,506,682**	3,506,682
Key management personnel –						
Salaries and employee benefits	4.4	**1,164,000**	1,164,000	1,164,000	-	-

Details of the foregoing transactions and balances is presented below.

4.1 Due from a Related Party and Interest Receivable

The details of Due from a Related Party and Interest Receivable accounts as of December 31, 2020, which remained outstanding as of December 31, 2021, except for the collection of the interest receivable, are as follows:

Principal balance:	
Original loan	P 46,000,000
Assumed loan	54,000,000
	100,000,000
Interest receivable on:	
Original loan	117,205
Assumed loan	137,590
	254,795
	P 100,254,795

The balance of Due from a Related Party is presented in the statements of financial position as follows:

	2021	2020
Current	**P 100,000,000**	P 46,000,000
Non-current	**-**	54,000,000
	P 100,000,000	P100,000,000

The movements in interest receivable are as follows:

	2021	2020
Balance at beginning of year	**P 254,795**	P 254,795
Accruals during the year	**3,000,000**	3,000,000
Collections during the year	**(3,254,795)**	(3,000,000)
Balance at end of year	**P -**	P 254,795

(a) Original Loan

As of December 31, 2021 and 2020, the carrying amount of the original loan amounting to P46,000,000, excluding interest receivable, is presented as part of the Due from a Related Party account in the statements of financial position.

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. (Aqua Rich), an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum. The said loan is renewed for a term of one year from maturity in 2021 and 2020.

Actual annual interest income earned in 2021 and 2019 related to this loan amounted P1,380,000 and in 2020 amounted to P1,383,781, which is presented as part of Interest Income From Loans under the Revenues section of the statements of comprehensive income.

The uncollected interest amounting to P117,205 as of December 31, 2020 is presented as part of Interest Receivable account in the 2020 statement of financial position. Such was fully collected in 2021.

(b) *Assumed Loan*

On January 2, 2013, Takeda Holdings, Inc., a third party, assigned to Aqua Rich its unsecured, interest-bearing loan payable to the Company which is payable after two years and subject to a certain interest rate per annum. Accordingly, the carrying amount of the assumed loan as of that date was recorded as part of the Due from a Related Party account of the statements of financial position. Corresponding periodic renewals were agreed by both parties upon maturity of the loan under the same terms and conditions, which resulted in the current and non-current classification of such loan as of December 31, 2021 and 2020, respectively.

The carrying amount of the assumed loan, excluding interest receivable, amounted to P54,000,000 as of December 31, 2021 and 2020 and is presented as part of Due from a Related Party in the statements of financial position.

Actual annual interest income earned in 2021 and 2019 related to the assumed loans both amounted to P1,620,000 while in 2020 amounted to P1,623,787, which is presented as part of Interest Income From Loans under the Revenues section in the statements of comprehensive income.

The uncollected interest amounting to P137,590 as of December 31, 2020 is presented as part of Interest Receivable account in the 2020 statement of financial position. Such was fully collected in 2021.

The Company's loans and related interest receivable, which are subject to credit risk exposure (see Note 11.1), have been reviewed for impairment. Based on such review, management determines that the related losses are immaterial to the financial statements.

4.2 Rental and Utilities Expenses

The Company currently leases its office premises from a related party under common ownership (see Note 10.1). The lease agreement is renewable every year upon mutual consent of the parties. Annual rental of P180,000 and utilities expenses of P31,200 incurred in 2021 and annual rental of P300,000 and utilities expenses of P81,600 incurred both in 2020 and 2019 from this transaction are shown as Rent and as part of Other Operating Expenses account, respectively, under the Operating Expenses section of the statements of comprehensive income (see Note 6). Outstanding balance, which is unsecured, noninterest-bearing and payable in cash to the related party, is shown as part of Accrued rental and utilities under Accrued Expenses and Other Payables account in the statements of financial position (see Note 5).

4.3 Transaction with Stockholder

(a) Accommodation of expenses

Certain expenses were paid by a stockholder on behalf of the Company in previous years, while there were no similar transactions occurred in 2021, 2020 and 2019. The outstanding liability to the stockholder, which is noninterest-bearing and payable in cash upon demand, amounted to P867,116 as of December 31, 2021 and 2020 and is presented as Due to a Stockholder in the statements of financial position.

(b) Consultancy fees

One of the stockholders, who previously served as part of the key management personnel, entered into a consultancy agreement to assist the Company in improving its business. Total amount paid to the stockholder is presented as part of Professional fees under Other Operating Expenses in the statements of comprehensive income (see Note 6). There was no outstanding balance related to this transaction as of end of both years.

4.4 Key Management Personnel Compensation

The compensation and benefits provided to key management personnel, which consist of short-term employee benefits, amounted to P1,164,000 in 2021, 2020, and 2019. These are presented as Salaries and employee benefits under the Operating Expenses section of the statements of comprehensive income. The Company does not provide any other form of benefits to its key management personnel. There was no outstanding balance related to this transaction as of end of both years.

5. ACCRUED EXPENSES AND OTHER PAYABLES

This account includes the following:

	Note	**2021**	2020
Accrued rental and utilities	4.2	**P 3,634,140**	P 4,277,970
Accrued professional fees		**427,620**	117,600
Accrued taxes and licenses		**8,604**	12,704
Other payables		**-**	769
		P 4,070,364	P 4,409,043

In 2020, the Company derecognized certain long-outstanding payables recorded as Other payables previously recognized in prior years as management has assessed that such are no longer to be claimed and/or settled. The gain on derecognition of these financial liabilities is presented as Miscellaneous Income in the 2020 statement of comprehensive income. There was no similar transaction in 2021.

6. OTHER OPERATING EXPENSES

Details of other operating expenses are as follows:

	Note	2021	2020	2019
Professional fees	4.3(b)	**P 808,750**	P 1,215,250	P 1,093,000
PSE membership fees		**250,000**	250,000	250,000
Trainings and seminars		**80,357**	80,357	100,000
Taxes and licenses		**40,598**	32,398	31,257
Utilities	4.2	**31,200**	81,600	81,600
Directors' fee		**22,000**	22,000	22,000
Postage and messengerial expense		**1,235**	2,520	32,477
Representation		**-**	254,004	-
Office supplies		**-**	4,788	11,025
Miscellaneous		**13,045**	97,911	1,961
		P 1,247,185	P 2,040,828	P 1,623,320

7. TAXES

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and became effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Company:

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;

- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,

- the allowable deduction for interest expense is reduced from 33% to 25% of the interest income subjected to final tax.

The Company is subject to the minimum corporate income tax (MCIT) which is computed at 1% in 2021, and 2% both in 2020 and 2019 of gross income, as defined under the tax regulations or to the RCIT, whichever is higher.

The components of tax expense reported in profit or loss are as follows:

	2021	2020	2019
RCIT at 25% in 2021	**P 27,519**	P -	P -
Adjustment in 2020 income taxes due to change in income tax rate	**(13,029)**	-	-
Excess of MCIT over RCIT at 1% in 2021	**2,481**	-	-
MCIT at 2% in 2020 and 2019	**-**	60,151	60,000
Final tax at 20%	**67**	146	162
	P 17,038	P 60,297	P 60,162

The reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

	2021	2020	2019
Tax on pretax profit (loss) at 25% in 2021 and 30% in 2020 and 2019	**P 102,288**	(P 108,791)	(P 25,952)
Adjustment in 2020 income taxes due to change in income tax rate	**(13,029)**	-	-
Adjustment for income subjected to lower tax rate	**(17)**	(73)	(82)
Tax effects of:			
Applied NOLCO	**(74,685)**	-	-
Unrecognized deferred tax assets arising from:			
MCIT	**2,481**	60,151	60,000
NOLCO	**-**	32,809	26,196
Non-deductible expenses	**-**	76,201	-
	P 17,038	P 60,297	P 60,162

As discussed in Note 3.2(b), the Company did not recognize the deferred tax assets arising from NOLCO and MCIT as of December 31, 2021 and 2020 since management believes that the Company will not have sufficient taxable income and RCIT due, respectively, within the periods against which the NOLCO and MCIT can be applied.

Presented below are the details of the Company's NOLCO which can be claimed as deductions from future taxable income within three to five years from the year the NOLCO was incurred. Pursuant to the issuance of Revenue Regulations (RR) No. 25-2020 to implement Section 4(bbbb) of Republic Act No. 11494, the net operating loss incurred for the taxable year 2020 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

Year	**Original Amount**	**Application in 2021**	**Remaining Balance**	**Valid Until**
2020	P 109,363	(P 109,363)	P -	2025
2019	87,320	(87,320)	-	2023
2018	102,056	(102,056)	-	2022
	P 298,739	**(P 298,739)**	**P -**	

The details of the Company's excess MCIT over RCIT in 2021, and MCIT in 2020 and 2019, with their corresponding availment periods are as follows:

Year	Original Amount	Expired Amount	Remaining Balance	Valid Until
2021	P 2,481	P -	P 2,481	2024
2020	47,122	-	47,122	2023
2019	60,000	-	60,000	2022
2018	60,000	(60,000)	-	
	P 169,603	**(P 60,000)**	**P 109,603**	

In 2021, 2020 and 2019 the Company opted to claim itemized deductions in computing for its income tax due.

8. CAPITAL STOCK

8.1 Capital Stock

Capital stock as of December 31, 2021 and 2020 consists of:

Common Class A – P100 par value	
Authorized – 700,000 shares	
Issued and outstanding – 350,000 shares	P 35,000,000
Common Class B – P100 par value	
Authorized – 300,000 shares	
Issued and outstanding – 150,000 shares	15,000,000
	P 50,000,000

Class A and Class B shares enjoy the same rights and privileges, except that Class A shares shall be issued solely to Philippine nationals, while Class B shares may be issued to either Philippine or foreign nationals.

8.2 Track Record of Registration of Securities

The Company's shares of stock were initially listed for trading with the PSE on April 2, 1973. As of December 31, 2021 and 2020, there are 499,987 listed shares which are held by 332 holders and 334 holders, respectively. Such listed shares closed at P945 and P901 per share as of the last trading day as at December 31, 2021 and 2020, respectively.

The Company has no other securities being offered for trading in any stock exchange. It has not listed any other securities since its first listing of its securities.

9. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for the years ended December 31, 2021, 2020 and 2019 are computed as follows:

	2021	2020	2019
Net profit (loss)	**P 392,113**	(P 422,933)	(P 146,670)
Weighted average number of outstanding common shares	**500,000**	500,000	500,000
Basic and diluted earnings (loss) per share	**P 0.78**	(P 0.85)	(P 0.29)

The Company has no potentially dilutive common shares as of December 31, 2021, 2020 and 2019; accordingly, its basic and diluted earnings (loss) per share are equal.

10. COMMITMENTS AND CONTINGENCIES

10.1 Operating Lease Commitments – Company as Lessee

In prior years, the Company entered into a lease agreement with a related party under common ownership covering certain office space for a period of one year. Upon expiration of the lease period, the Company and the lessor shall amicably decide and agree to extend the lease under such terms and conditions as may be mutually agreed upon by the parties (see Note 4.2). The most recent lease renewal covered the period May 1, 2021 to December 31, 2021. Rent expense charged to profit or loss in 2021 amounted to P180,000 while in 2020 and 2019 both amounted to P300,000 and presented as Rent under Operating Expenses section of the statements of comprehensive income.

10.2 Others

On November 11, 2020, the Company breached the minimum 10% public ownership required by the PSE when a certain officer bought shares owned by the public. Such acquisition of public shares decreased the Company's public ownership to 9.85%. As a result, the Company was suspended from stock trading in the PSE since December 10, 2020. In response to this matter, the Company sold certain shares to the public in January 2021 which was expected to increase the public ownership to 10.2%. The suspension was lifted in April 2021.

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the accompanying financial statements. As of December 31, 2021, 2020 and 2019, management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks which result from its operating and other cash flow activities. The Company's risk management is coordinated with the Parent Company, in close cooperation with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Company is exposed to are described below and in the succeeding page.

11.1 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example, by granting loans and receivables to a related party and a third party.

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	Note	**2021**	2020
Cash		**P 324,234**	P 123,085
Interest receivable	4	**-**	254,795
Due from a related party	4	**100,000,000**	100,000,000
		P 100,324,234	P 100,377,880

None of the Company's financial assets are secured by collateral or other credit enhancements except for cash as described below and in the succeeding page.

(i) Cash

The credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit ratings. Cash in bank which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P500,000 for every depositor per banking institution, as provided for under R.A. No. 9576, *Amendment to Charter of PDIC*, are still subjected to credit risk.

(ii) Due from a Related Party

The Company applies simplified approach in measuring ECL, which uses a lifetime expected loss allowance for due from a related party.

To measure the ECL, the due from a related party has been assessed based on shared credit risk characteristics and the days past due (age buckets).

The expected loss rates are based on provision matrix as determined by the management. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the related party to settle the receivables. The Company has identified inflation to be the most relevant factor, however, such did not result in any impact as the historical loss rates based on expected changes in this factor are zero. In addition, the Company has not observed defaults on payment based on the historical credit performance of the related party.

Based on management's assessment, none of the financial assets is exposed to any significant credit risk.

11.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.

The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and, (c) to be able to access funding when needed at the least possible cost. Operations of the Company are financed internally; however, in cases where there is substantial expenditures that is beyond the Company's capacity to finance, the Parent Company can provide the necessary funding requirement.

As of December 31, 2021 and 2020, the Company's financial liabilities which pertain to accrued expenses and other payables (excluding tax-related liabilities) and amounts due to a stockholder, totaling P4,928,876 and P5,263,455,respectively, have contractual maturities of within 12 months. The fair value of financial liabilities is not individually determined as the carrying amount is a reasonable approximation of fair value.

12. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

Disclosures of fair value are not required when the carrying amount of financial instrument is a reasonable approximation of fair value (e.g., short-term trade receivables and payables). For the Company's financial assets and financial liabilities at amortized cost as of December 31, 2021 and 2020, management considers that their carrying values approximate or equal their fair values, thus, no further comparison is presented. Fair value determination of such financial instruments is discussed in Note 14.

See Note 2.3 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 11.

12.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2021 and 2020 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the parent company.

13. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern and provide an adequate return to its stockholders by entering only into profitable business undertakings. As indicated in Note 1, the Company's management, in the midst of certain unfavorable economic factors, continues to assess possible investment opportunities that it may undertake in the near future.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods is summarized below.

	2021	2020
Total liabilities	**P 4,957,617**	P 5,291,282
Total equity	**98,233,761**	97,841,648
Debt-to-equity ratio	**0.05 : 1.00**	0.05 : 1.00

14. FAIR VALUE MEASUREMENT AND DISCLOSURES

14.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within 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 the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

14.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	Notes	Level 1	Level 2	Level 3	Total
2021					
Financial assets:					
Cash		P 324,234	P -	P -	P 324,234
Due from a related party	4.1	-	-	100,000,000	100,000,000
		P 324,234	**P -**	**P 100,000,000**	**P 100,324,234**
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 4,061,760	P 4,061,760
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	**P -**	**P 4,928,876**	**P 4,928,876**
2020					
Financial assets:					
Cash		P 123,085	P -	P -	P 123,085
Interest receivable	4.1	-	-	254,795	254,795
Due from a related party	4.1	-	-	100,000,000	100,000,000
		P 123,085	P -	P 100,254,795	P 100,377,880
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 4,396,339	P 4,396,339
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	P -	P 5,263,455	P 5,263,455

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 the 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 based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. As of December 31, 2021 and 2020, there were no transfer of financial assets and financial liabilities within said levels.

15. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page is the supplementary information on taxes, duties and license fees paid or accrued during the taxable year, which is required by the Bureau of Internal Revenue (BIR) under RR No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) *Output Value-added Tax (VAT)*

The Company does not have output VAT in 2021.

(b) *Input VAT*

The movements in input VAT in 2021 are summarized below.

Balance at beginning of year	P	2,755,050
Services lodged under other accounts		112,094
Balance at end of year	**P**	**2,867,144**

(c) *Taxes on Importation*

The Company did not have any importations in 2021.

(d) *Excise Tax*

The Company does not have excise tax in 2021 since it did not have any transactions, which are subject to excise tax during the year.

(e) *Documentary Stamp Tax (DST)*

DST on the loan agreements are paid by the counterparty. Also, as per agreement, the lessor shoulders the DST in the case of the lease contract.

(f) *Taxes and Licenses*

Details of taxes and licenses in 2021 are shown below.

Municipal license and permits	P	32,523
SEC filing fees		7,575
Annual VAT registration		500
	P	**40,598**

(g) *Withholding Taxes*

Details of total withholding taxes reported for the year ended December 31, 2021 are shown below.

Compensation and benefits	P	116,400
Expanded		9,000
	P	**125,400**

In 2021, the Company has no income payments subject to final withholding tax. The outstanding balance of taxes subject to withholding is presented as part of Accrued expenses and other payables in the statements of financial position.

(h) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2021, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Directors and Stockholders
BHI Holdings, Inc.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre
146 Valero Street, Salcedo Village
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc. for the year ended December 31, 2021, on which we have rendered our report dated April 18, 2022. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the 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.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 8852338, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 18, 2022

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City
Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2021

Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year	P	40,320,893
Net Loss Realized during the Year		392,113
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year	**P**	**40,713,006**

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
List of Supplementary Information
December 31, 2021

Schedule	Content	Page No.
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets Financial Assets at Amortized Cost Financial Assets at Fair Value Through Profit or Loss Financial Assets at Fair Value Through Other Comprehensive Income	1
B	Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from/ Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	Map Showing the Relationship Between the Company and its Related Entities	9

BHI HOLDINGS, INC.

(A Subsidiary of Bulk Handlers, Inc.)

SEC Released Revised SRC Rule 68

Annex 68-E

Schedule A

Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial Assets at Amortized Cost				
Cash		**P 324,234**	**P 324,234**	**P 336**
Financial Assets at Fair Value Through Profit or Loss				
		P -	**P** -	**P** -
Financial Assets at Fair Value Through Other Comprehensive Income				
		P -	**P** -	**P** -

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule B
Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

			Deductions		Ending Balance		
Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Loans Receivable							
Aqua Rich, Inc.	**P 100,000,000**	**P -**	**P -**	**P -**	**P 100,000,000**	**P -**	**P 100,000,000**
Accounts Payable							
Juanita U. Tan	**P 867,116**	**P -**	**P -**	**P -**	**P 867,116**	**P -**	**P 867,116**

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule C
Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

			Deductions				
Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule D
Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet

NOTHING TO REPORT

BHI HOLDINGS, INC.

(A Subsidiary of Bulk Handlers, Inc.)

SEC Released Revised SRC Rule 68

Annex 68-E

Schedule E

Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule F
Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule G
Capital Stock

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, converstion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares						
Class A Shares	700,000	349,987	-	298,624	1,336	50,027
Class B Shares	300,000	150,000	-	150,000	-	-
Common Shares	**1,000,000**	**499,987**	-	**448,624**	**1,336**	**50,027**

BHI HOLDINGS, INC.
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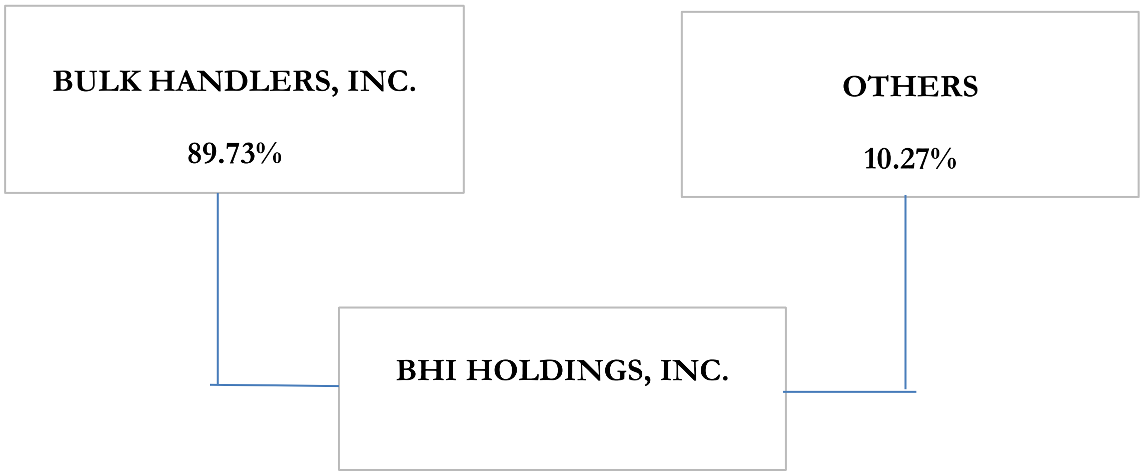
22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City
Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2021

Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year	P	40,320,893
Net Profit Realized during the Year		392,113
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year	**P**	**40,713,006**

BHI HOLDINGS, INC.

(A Subsidiary of Bulk Handlers, Inc.)

MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES



Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Components of Financial Soundness Indicators

The Board of Directors and Stockholders
BHI Holdings, Inc.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre
146 Valero Street, Salcedo Village
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc., (the Company), for the year ended December 31, 2021 and 2020, on which we have rendered our report dated April 18, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on 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 purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Philippine Securities and Exchange Commission and is not a required part of the basic 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 for the years then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 8852338, January 3, 2022, Makati City
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BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 18, 2022

BHI HOLDINGS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2021 and 2020

Ratio	Formula	2021	Formula	2020
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P 103,191,378 Divide by: Total Current Liabilities 4,957,617 Current ratio 20.81	20.81	Total Current Assets divided by Total Current Liabilities Total Current Assets P 49,132,930 Divide by: Total Current Liabilities 5,291,282 Current ratio 9.29	9.29
Acid test ratio	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 103,191,378 Less: Input value-added tax 2,867,144 Quick Assets 100,324,234 Divide by: Total Current Liabilities 4,957,617 Acid test ratio 20.24	20.24	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 49,132,930 Less: Input value-added tax 2,755,050 Quick Assets 46,377,880 Divide by: Total Current Liabilities 5,291,282 Acid test ratio 8.76	8.76
Solvency ratio	Total Liabilities divided by Total Assets Total Liabilities P 4,957,617 Divide by: Total Assets 103,191,378 Solvency ratio 0.05	0.05	Total Liabilities divided by Total Assets Total Liabilities P 5,291,282 Divide by: Total Assets 103,132,930 Solvency ratio 0.05	0.05
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities P 4,957,617 Divide by: Total Equity 98,233,761 Debt-to-equity ratio 0.05	0.05	Total Liabilities divided by Total Equity Total Liabilities P 5,291,282 Divide by: Total Equity 97,841,648 Debt-to-equity ratio 0.05	0.05
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets P 103,191,378 Divide by: Total Equity 98,233,761 Assets-to-equity ratio 1.05	1.05	Total Assets divided by Total Equity Total Assets P 103,132,930 Divide by: Total Equity 97,841,648 Assets-to-equity ratio 1.05	1.05
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 409,151 Divide by: Interest expense - Interest rate coverage ratio -	0.00	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT (P 362,636) Divide by: Interest expense - Interest rate coverage ratio -	0.00
Return on equity	Net Profit (Loss) divided by Total Equity Net Profit P 392,113 Divide by: Total Equity 98,233,761 Return on equity 0.004	0.004	Net Profit (Loss) divided by Total Equity Net Loss (P 422,933) Divide by: Total Equity 97,841,648 Return on equity (0.004)	-0.004
Return on assets	Net Profit (Loss) divided by Total Assets Net Profit P 392,113 Divide by: Total Assets 103,162,154 Return on assets 0.004	0.004	Net Profit (Loss) divided by Total Assets Net Loss (P 422,933) Divide by: Total Assets 103,230,137 Return on assets (0.004)	-0.004
Net Profit Margin	Net Profit (Loss) divided by Total Revenue Net Profit P 392,113 Divide by: Total Revenue 3,000,336 Return on assets 0.131	0.13	Net Profit (Loss) divided by Total Revenue Net Loss (P 422,933) Divide by: Total Revenue 3,142,192 Return on assets (0.135)	-0.13