SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: CS201102137
Company Name: Cirtek Holdings Philippines Corporation
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

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Document Type: Financial Statement
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CIRTEK HOLDINGS
Philippines Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS

The Management of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the separate financial statements, including the schedules attached therein as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 in accordance with the Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

JERRY LIU
Chairman of the Board

JORGE AGUILAR
Vice-Chairman and President

BRIAN GREGORY LIU
EVP & Chief Financial Officer

BIR - RDO - 57
COLLECTION SECTION
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APR 18 2022
DENZEL C. CABRERA

Signed this 11th day of April 2022.

APR 1 2 2022

SUBSCRIBED AND SWORN to before me this ______ day of __________ 2022 affiants exhibiting to me their respective Community Tax Certificates (CTCs), as follows:

Name	CTC No.	Date of Issue	Place of Issue
JERRY LIU	**CCI2022 09555032**	**January 10,2022**	**City of Manila**
JORGE AGUILAR	**CCI2022 09555034**	**January 10,2022**	**City of Manila**
BRIAN GREGORY LIU	**CCI2022 09555029**	**January 10,2022**	**City of Manila**

Doc. No. 117 ;
Page No. 25 ;
Book No. 4 ;
Series of 2022

ATTY. DOMINGO H. SAN JOAQUIN, JR.
Notary Public for the City of Sta. Rosa
Until December 31, 2021 extended until
June 30, 2022 as per B.M. No. 3795
Notarial Commission A.N.C. No. 0024-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay Rd
Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VI-0001715; 4.14.2022
PTR No. 4359157; 01.03.22; Sta. Rosa City
IBP OR No. 169977; 12.9.2021; Pasig City
SC Roll No. 27723

BIR - RDO - 57
COLLECTION SECTION
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APR 18 2022
DENIZEL C. CARRERA

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	1	0	2	1	3	7

Company Name

CIRTEK HOLDINGS PHILIPPINES
CORPORATION

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

116 EAST MAIN AVENUE, PHASE V
SEZ, LAGUNA TECHNOPARK, BIÑAN
LAGUNA

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS	CRMD	STOCK ISSUER

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	(632) 7729-6205	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
26	28-May	31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Brian Gregory Liu	brian.liu@cirtek.ph	(632) 7729-6205	N/A

Contact Person's Address

116 East Main Ave., Phase V SEZ Laguna Technopark, Biñan Laguna

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.

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
CIRTEK HOLDINGS PHILIPPINES CORPORATION
116 East Main Avenue
Phase V-SEZ, Laguna Technopark
Biñan, Laguna

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **CIRTEK HOLDINGS PHILIIPPINES CORPORATION** (the "Parent Company"), which comprise the separate statements of financial position as at December 31, 2021 and 2020, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the separate financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

The Risk

The risk of improper treatment and recognition of the detachable warrants

The Board of Directors and stockholders of Parent Company, in their special meetings held on September 28, 2020 and November 27, 2020, respectively, approved the following:

1. The approval to offer to all eligible stockholders of record of the Parent Company, as of the date to be set by its management in accordance with existing law and regulations (the 'Record Date'), rights to subscribe (the "Rights Offer") to the common shares of the Parent Company (the 'Rights Shares') with a bonus detachable warrant for each Rights Share (the 'Detachable Warrant'), subject to: (i) the approval of the increase in the Corporation's authorized capital stock; (ii) the registration or exemption requirements, whichever may be applicable, of the Securities and Exchange Commission ('SEC'); and (iii) the listing requirements of the Philippine Stock Exchange ('PSE').

2. The approval of the authority of any one (1) of the Chairman of the Board, the President, the Chief Financial Officer, and/or other senior officers of the Parent Company to fix the terms and conditions of the Rights Offer, including, but not limited to, the final issue size which shall be up to 250,000,000 common shares, the entitlement ratio, the offer price, the payment terms, the terms of the detachable warrant including the exercise price, the procedure for lodging the application to subscribe, the details and procedures for the various rounds of offer including the treatment of rump shares, as applicable, the Record Date and other relevant dates, and other terms, without the necessity of obtaining further approval from the stockholders and Board of Directors (BOD).

On January 6, 2021, the BOD passed resolutions approving a new the conduct of a Stock Rights Offering with issuance of bonus detachable warrants, which approval was refreshed on February 5, 2021.

On June 23, 2021, the Board of Directors of the Philippine Stock Exchange, Inc. in its meeting approved, the application of the Company to list up to 250,000,000 common shares (the "Right Shares"), with a par value of Php1.00 per share, to cover its Stock Rights Offering ("SRO") to all stockholders as of the proposed record date, at an Offer Price of ₱4.50 to ₱7.25 per Right Share, as well as its application to list up to 250,000,000 Bonus Detachable Warrants ("Detachable Warrants"), free of charge, with up to 250,000,000 underlying common shares at Exercise Price of ₱4.50 to ₱7.25

Our Response

Our procedures in relation to Management's treatment and recognition of detachable warrants include the examination of supporting documents, and the assessment of applicable accounting treatment based on PFRS 9, *Financial Instruments*. Moreover, proper valuation of the account was identified based on the available market price of the warrants upon issuance.

Other Information

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

Our opinion on the separate 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 separate 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 separate 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 Separate Financial Statements

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

In preparing the separate financial statements, Management is responsible for assessing the Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

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

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent 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 Parent 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 separate 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 Parent Company to cease to continue as a going concern.

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

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

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in 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 separate financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Notes 30 and 31, respectively, to the separate financial statements, is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such information is the responsibility of the Management of **CIRTEK HOLDINGS PHILIPPINES CORPORATION**. The information has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is **ROMEO A. DE JESUS, JR.**

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until May 28, 2024
SEC Group A Accredited
Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2020
Valid from February 24, 2020 until February 23, 2023
IC Accreditation No. F-2019-004-R
Valid until October 1, 2022

ROMEO A. DE JESUS, JR.
Managing Partner
CPA Certificate No. 86071
SEC Group A Accredited
Accreditation No. 86071-SEC
Valid until 2024 audit period
BIR Accreditation No. 08-004744-001-2021
Valid from January 25, 2021 until January 24, 2024
Tax Identification No. 109-227-897
IC Accreditation No. SP-2019-004-R
Valid until October 1, 2022
PTR No. 8855247
Issued on January 5, 2022 at Makati City

April 11, 2022

BIR - RDO - 57
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INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Stockholders and the Board of Directors
CIRTEK HOLDINGS PHILIPPINES CORPORATION
116 East Main Avenue
Phase V-SEZ, Laguna Technopark
Biñan, Laguna

We have audited the separate financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 on which we have rendered the attached report dated April 11, 2022.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until May 28, 2024
SEC Group A Accredited
Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accredited
Accreditation No. 0300-BSP
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Tax Identification No. 109-227-897
IC Accreditation No. SP-2019-004-R
Valid until October 1, 2022
PTR No. 8855247
Issued on January 5, 2022 at Makati City

April 11, 2022

REPORT ON THE SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
CIRTEK HOLDINGS PHILIPPINES CORPORATION
116 East Main Avenue
Phase V-SEZ, Laguna Technopark
Biñan, Laguna

We have issued our report dated April 11, 2022 on the basic separate financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** as of and for the year ended December 31, 2021. Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** taken as a whole. The information in the index to the separate financial statements for the year ended December 31, 2021, which is not a required part of the separate financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **CIRTEK HOLDINGS PHILIPPINES CORPORATION.** The information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until May 28, 2024
SEC Group A Accredited
Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2020
Valid from February 24, 2020 until February 23, 2023
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Issued on January 5, 2022 at Makati City

April 11, 2022

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020
(In US Dollars)

	NOTES	2021	2020
ASSETS			
Current Assets			
Cash	7	**46,628,851**	28,025,441
Other receivables	8	**4,640,905**	5,217,905
Due from related parties	15	**144,073,352**	147,042,309
Miscellaneous deposit	10	**1,960**	2,082
		195,345,068	180,287,737
Non-current Asset			
Investments in subsidiaries	11	**89,134,452**	89,134,452
TOTAL ASSETS		**284,479,520**	269,422,189
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accrued expenses and other payables	13	**654,413**	733,053
Loans payable	14	**35,250,521**	55,373,209
Dividends payable	16	**126,955**	126,955
Due to related parties	15	-	24,360,917
Deposit for future stock subscription	17	-	189,107
Income tax payable		**1,622**	8,438
		36,033,511	80,791,679
Non-current Liability			
Loans payable – net of current portion	14	**32,836,942**	50,317,387
TOTAL LIABILITIES		**68,870,453**	131,109,066
STOCKHOLDERS' EQUITY			
Common Stock	18	**14,562,067**	9,594,321
Preferred Stock	18	**3,925,528**	3,032,140
Stock Warrants	18	**6,458,070**	-
Additional Paid-in Capital	18	**179,726,321**	120,053,514
Net Changes in Fair Value of Equity			
Investment at FVOCI	9	-	(1,667,000)
Retained Earnings		**10,937,081**	7,300,148
TOTAL STOCKHOLDERS' EQUITY		**215,609,067**	138,313,123
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**284,479,520**	269,422,189

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2021, 2020 and 2019
(In US Dollars)

	NOTES	2021	2020	2019
DIVIDEND INCOME	11,15	**15,500,000**	15,500,000	8,300,000
FINANCE INCOME	7	**14,424**	57,423	8,783
		15,514,424	15,557,423	8,308,783
FINANCE COSTS	14,19	**3,785,253**	3,563,090	3,293,615
OPERATING EXPENSES	20	**1,927,126**	750,495	560,603
OTHER INCOME (EXPENSE) – net	21	**905,077**	(953,606)	(184,866)
PROFIT BEFORE TAX		**10,707,122**	10,290,232	4,269,699
INCOME TAX	22	**1,622**	8,438	60,000
PROFIT		**10,705,500**	10,281,794	4,209,699
TOTAL COMPREHENSIVE INCOME		**10,705,500**	10,281,794	4,209,699
Basic Earnings per Share	23	**0.00793**	0.01451	0.00025

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021, 2020 and 2019
(In US Dollars)

	Notes	Common Stock	Preferred Stock	Stock Warrants	Additional Paid-in Capital	Net Changes in Fair Value of Equity Investment at FVOCI	Retained Earnings	Total
Balance, January 1, 2019		9,594,321.00	2,615,995.00	-	100,469,659	(1,667,000)	3,609,027	114,622,002
Profit							4,209,699	4,209,699
Cash dividends declared, as restated	16						(6,098,805)	(6,098,805)
Balance, December 31, 2019, as restated		9,594,321	2,615,995	-	100,469,659	(1,667,000)	1,719,921	112,732,896
Issuance of preferred stock	18		416,145		19,583,855			20,000,000
Profit							10,281,794	10,281,794
Cash dividends declared	16						(4,701,567)	(4,701,567)
Balance, December 31, 2020		9,594,321	3,032,140	-	120,053,514	(1,667,000)	7,300,148	138,313,123
Issuance of preferred stock	18		893,388		43,776,017			44,669,405
Issuance of common stock	18	4,967,746			15,896,790			20,864,536
Issuance of stock warrants	18			6,458,070				6,458,070
Profit							10,705,500	10,705,500
Transfer of net changes in fair value of FA at FVOCI to retained earnings	9					1,667,000	(1,667,000)	-
Cash dividends declared	16						(5,401,567)	(5,401,567)
Balance, December 31, 2021		14,562,067	3,925,528	6,458,070	179,726,321	-	10,937,081	215,609,067

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021, 2020 and 2019
(In US Dollars)

	NOTES	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		10,707,122	10,290,232	4,269,699
Adjustments for:				
Finance cost	14,19	3,785,253	3,563,090	3,293,615
Depreciation	12,20	-	16,939	16,939
Finance income	7	(14,424)	(57,423)	(8,783)
Unrealized foreign exchange (gain) loss – net	21	(819,099)	1,319,000	178,641
Dividend income	11,15	(15,500,000)	(15,500,000)	(8,300,000)
Operating cash flows before changes in working capital		(1,841,148)	(368,162)	(549,889)
Decrease (Increase) in operating assets:				
Other receivables		577,000	-	(5,217,905)
Miscellaneous deposit		-	10,184	6,439
Increase (Decrease) in accrued expenses and other payables		(16,001)	(20)	(587,688)
Cash used in operations		(1,280,149)	(357,998)	(6,349,043)
Dividends received	11,15	15,500,000	15,500,000	8,300,000
Income taxes paid		(8,438)	(60,000)	(201,584)
Net cash from operating activities		14,211,413	15,082,002	1,749,373
CASH FLOWS FROM INVESTING ACTIVITIES				
Collection of advances to related parties	15	22,433,929	22,771,577	75,004,851
Finance income received	7	14,424	57,423	8,783
Advances granted to related parties	15	(19,464,972)	(38,657,796)	(58,372,962)
Net cash from (used in) investing activities		2,983,381	(15,828,796)	16,640,672
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of preferred stock	18	44,669,405	20,000,000	-
Proceeds from issuance of common stock	18	27,322,606	-	-
Proceeds from availments of loans	14	20,643,414	67,290,415	18,584,593
Advances received from related parties	15	-	-	19,071,313
Refund of deposit for future stock subscription	17	(189,107)	-	-
Finance cost paid	14,19	(3,847,891)	(3,749,449)	(2,732,178)
Cash dividends paid	16	(5,401,567)	(4,603,750)	(6,090,268)
Payments of loans	14	(57,076,349)	(48,530,677)	(20,233,983)
Payments of advances from related parties	15	(24,360,917)	(5,129,332)	(30,443,671)
Net cash from (used in) financing activities		1,759,594	25,277,207	(21,844,194)
EFFECTS OF FOREIGN EXCHANGE RATE IN CASH	7,21	(350,978)	191,468	264,312
NET INCREASE (DECREASE) IN CASH		18,603,410	24,721,881	(3,189,837)
CASH AT BEGINNING OF YEAR		28,025,441	3,303,560	6,493,397
CASH AT END OF YEAR		46,628,851	28,025,441	3,303,560

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
NOTES TO SEPARATE FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

Cirtek Holdings Philippines Corporation (the "Parent Company") was incorporated under the laws of the Republic of the Philippines on February 10, 2011. The principal activities of the Parent Company are to invest in, purchase or acquire personal property of every kind, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities.

The Parent Company was listed in the Philippine Stock Exchange (PSE) on November 18, 2011.

On February 19, 2020, the Securities and Exchange Commission (SEC) approved the ₱2,000,000,000 worth of Commercial Papers (CPs) of the Company. On the following day, the CPs have been listed in the Philippine Dealing and Exchange Corporation. The CPs may be issued in lump-sum or in tranches as follows:

Series	Discount Rate	Tenor	Denomination
A	5.332%	91 days	Minimum of ₱5,000,000 face value and increments of ₱100,000
B	5.582%	182 days	Minimum of ₱5,000,000 face value and increments of ₱100,000
C	5.832%	364 days	Minimum of ₱500,000 face value and increments of ₱100,000

The proceeds will be used to refinance the existing debt of the Parent Company and finance working capital requirement.

The Parent Company is 77.93% owned by Camerton, Inc., a domestic corporation, 21.69% owned by Filipino individuals and 0.38% owned by foreign individuals. Camerton Inc. is the immediate parent of the Parent Company, while Carmetheus Holdings, Inc. is the ultimate parent of the Parent Company.

The immediate, ultimate and Parent Company's registered office address is at 116 East Main Avenue, Phase V-SEZ, Laguna Technopark, Biñan, Laguna.

Effect of Corona Virus Disease 2019 (COVID-19) Pandemic

In order to hasten the achievement of herd immunity against COVID-19 within the Parent Company and ensure the good health of its employees, the Parent Company has extended its support to facilitate the drive to have majority of its employees vaccinated against COVID-19. The Parent Company has cooperated with Laguna Technopark's vaccination facility by fielding its own set of medical volunteers. It thereby provided the employees easier access to a vaccination facility directly adjacent to the company's facility. This droves the workforce's vaccination rate to 99.70% as of present. Currently, the Parent Company's medical team is moving forward to provide COVID-19 booster shots to strengthen herd immunity and pave the way to opening its doors again to international customers and visitors. Cash incentives were also given to employees that are vaccinated which helps for the encouragement of further protection against COVID-19. Shuttle services in selected areas/route are still provided by the Parent Company, thus protecting its employees for possible infection. The Parent Company continues to implement/enforce its policy Workplace Policy and Program on COVID-19 Prevention and Control in compliance with DOLE and DOH regulations.

Amidst the global pandemic, the Parent Company is experiencing a good booking in product orders for medical chips supplied to medical equipment end customers globally. In view of the manifestation of COVID-19 around the world, it is critical for hospitals to have enough medical equipment to save lives, flatten the curve, prevent further spread of the virus and control the pandemic. The Cirtek Group has been tapped by several of its customers for chips used in medical equipment desperately needed all over the world. The Company's medical chips are continuously growing from 1.0 Mn units per week to 1.7 Mn units per week in 2021 due to strong demand of medical chips from its major customers, it is expected to grow up to 2.0 Mn units per week in 2022.

In 2021, there was a strong demand of semi-conductor devices due to shortage because of insufficient production last 2020 semi-conductor companies particularly large multinational companies who did not invest from additional capex to increase in capacity because of global pandemic. The global semi-conductor sales are expected to have a significant growth, all the markets are increasing capital expenditures in orders particularly telecommunications, industrial, automotive, medical, computing including IOT because of the shortage.

The pandemic has brought about global catastrophe but out of adversity comes opportunity. COVID-19 has trailblazed the rapid shift to the digital age. Whether we like it or not, people will have to adapt and learn to thrive in a new digital world. As vaccines are developed and approved in lightspeed, so will digital trends such as Internet of Things, Smart Cities, Artificial Intelligence, Autonomous Vehicles, Telemedicine, Augmented and Virtual Reality will all be closer than we think.

The sector we are in: Technology, Connectivity and Communications are indeed pandemic and recession-proof. It is for this very reason Telco operators in the US are spending billions of dollars acquiring airwaves to support the upcoming 5G Super Cycle where cellular infrastructure act as the super highway responsible for enabling these digital trends.

COVID-19 pandemic accelerated digital transformation that triggers high demand of semiconductor chips globally. In the report of IDC (International Data Corporation), 2022 is expected to record high record of growth. 5G semiconductor which covers wireless communications revenues will increase by 128%, with total mobile phone semiconductors expected to grow by 28.5%. Consumers Electronics like Game consoles, smart home, home appliances and wearables will grow +34%, 20%, 21% respectively. Automotive semiconductor revenues will also increase by 22.8% as shortages are mitigated by year end. Parent Company is expected to grow its business in 2022 up to 2023 to support the high demand of semiconductors

Despite the global pandemic, the Parent Company still able to continue its Corporate Social Responsibility activities such as:

- Tree Planting activity at Caliraya Lumot Water Shed, Lumban Laguna dated July 31, 2021.
- Volunteer in Covid-19 Vaccination site in Laguna Technopark facility started last August 2021.
- Go GREEN Project: "Lead the Scene to keep it Green" launched last March 2021. Harvested vegetables were given to quarantine pantry and some were sold out to employees for a minimal price.
- Cash donation and relief goods for the affected employees of Typhoon Odette.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Parent Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Separate Financial Statements

The following new and revised PFRSs have been adopted in these separate financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

  The following are the amendments to PFRS 16:

  - provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification;
  - require lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications;
  - require lessees that apply the exemption to disclose that fact; and
  - require lessees to apply the exemption retrospectively in accordance with PAS 8, but not require them to restate prior period figures.

  The amendments are effective for annual reporting periods beginning on or after June 1, 2020.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Parent Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the separate financial statements.

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

- Amendments to PFRS 16, *COVID-19-Related Rent Concessions beyond June 30, 2021*

  The following are the amendments to PFRS 16:

  - permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022 (rather than only payments originally due on or before June 30, 2021);
  - require a lessee applying the amendment to do so for annual reporting periods beginning on or after April 1, 2021;
  - require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
  - specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

  The amendments are effective for annual reporting periods beginning on or after April 1, 2021, with earlier application permitted.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The following are the amendments in reference to the conceptual framework:

  - update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of 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 amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*

  The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

  The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the separate financial statements in which the entity first applies the amendments.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract*

  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 labor, 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).

  The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

- Annual Improvements to PFRS Standards 2018-2020 Cycle

  Amendments to PFRS 1, *Subsidiary as a first-time adopter* - The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

  Amendments to 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 paragraph B3.3.6 of PFRS 9 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.

  Amendments to PFRS 16, *Lease Incentives* - The amendment to Illustrative Example 13 accompanying PFRS 16 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.

<u>Amendments to PAS 41, *Taxation in fair value measurements*</u> - The amendment removes the requirement in paragraph 22 of PAS 41 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 effective for annual reporting periods beginning on or after January 1, 2022.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments to PAS 1 are the following:

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

  The amendments defer the effective date of the January 2020 *Classification of Liabilities as Current or Non-Current (Amendments to PAS 1)* to annual reporting periods beginning on or after January 1, 2023. Earlier application of the January 2020 amendments continues to be permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The definition of accounting estimates has been amended as follows: accounting estimates are "monetary amounts in separate financial statements that are subject to measurement uncertainty".

  The amendment also clarifies the following:

  - Entities develop accounting estimates if accounting policies require items in separate financial statements to be measured in a way that involves measurement uncertainty.
  - A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
  - A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period, with earlier application permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*

  The amendments to PAS 1 are the following:

  - ➢ an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
  - ➢ several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

  The amendments also clarify the following:

  - ➢ accounting policy information may be material because of its nature, even if the related amounts are immaterial;
  - ➢ accounting policy information is material if users of an entity's separate financial statements would need it to understand other material information in the separate financial statements; and
  - ➢ if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

  In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

- Amendment to PAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*

  The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b)(iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability – which in turn leads to equal and opposite temporary differences – such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

  The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.

- PFRS 17, *Insurance Contracts*

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

  PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

  An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held—onerous underlying insurance contracts;
  - Reinsurance contracts held—underlying insurance contracts with direct participation features; and
  - Recognition of the contractual service margin in profit or loss in the general model.

  The amendments are affective to annual reporting periods beginning on or after January 1, 2025.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9- Comparative Information*

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of separate financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

2.02.02 Deferred

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its separate financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

  On January 13, 2016, the FRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF SEPARATE FINANCIAL STATEMENTS

3.01 Statement of Compliance

The separate financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried either at fair value or amortized cost.

3.02 Functional and Presentation Currency

Items included in the separate financial statements of the Parent Company are measured using United States Dollar ($), the currency of the primary economic environment in which the Parent Company operates (the "functional currency").

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

3.03 Basis of Preparation

These separate financial statements were based from the Parent Company's own transactions, exclusive of transactions of the Parent Company's subsidiaries, the latter transactions being used in the preparation of the consolidated financial statements, which are also available for public use.

3.04 Current and Non-Current Presentation

The Parent Company classifies an asset as current when:

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

The Parent Company classifies all other assets as non-current.

The Parent Company classifies a liability as current when:

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

The Parent Company classifies all other liabilities as non-current.

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

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Parent Company in the preparation of its separate financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Fair Value Measurement

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.

When measuring fair value, the Parent Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

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

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4.02 Financial Assets

4.02.01 Initial Recognition and Measurement

The Parent Company recognizes a financial asset in its separate statements of financial position when, and only when, the Parent Company becomes a party to the contractual provisions of the instrument.

Except for other receivables that do not have a significant financing component, at initial recognition, the Parent Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Parent Company measures receivables that do not have a significant financing component at their transaction price.

4.02.02 Classification

➢ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Parent Company's financial assets measured at amortized costs include cash in banks, other receivables, due from related parties, and miscellaneous deposit.

a) Cash in Banks

Cash includes cash in banks which is cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Other Receivables and Due from Related Parties

Other receivables and due from related parties are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

➢ Financial Asset at Fair Value through Other Comprehensive Income

The Parent Company makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income.

The Parent Company's financial assets measured at financial asset at fair value through other comprehensive income pertains to an investment in unquoted equity shares.

4.02.03 Reclassification

When, and only when, the Parent Company changes its business model for managing financial assets, it shall reclassify all affected financial assets in accordance with Note 4.02.02. If the Parent Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Parent Company shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

4.02.04 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.02.05 Impairment

The Parent Company shall measure expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Parent Company adopted general approach in accounting for impairment.

➢ General Approach

The Parent Company applied the general approach to cash in banks, other receivables, due from related parties, and miscellaneous deposit. At each reporting date, the Parent Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Parent Company measures the loss allowance equal to 12-month expected credit losses.

The Parent Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Parent Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Parent Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Company did not apply the 30 days past due rebuttable presumption because the Company determines that there have been no significant increases in credit risk even the amounts are past due for more than 30 days.

If the Parent Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Parent Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Parent Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Parent Company performs the assessment of significant increases in credit risk on an individual basis.

The Company applies the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since based on the Company's historical experience and aging schedules, past due amounts cannot be collected after 90 days.

The Parent Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty; and
- A breach of contract, such as a default or past due event.
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.02.06 Derecognition

The Parent Company derecognizes a financial asset when, and only when the contractual rights to the cash flows of the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.02.07 Write-off

The Parent Company directly reduces the gross carrying amount of a financial asset when the Parent Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.03 Investments in Subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by another entity known as parent. Control is the exposure or rights, to variable returns from the involvement with an investee and the ability to affect those returns through its power over an investee.

Investments in subsidiaries is accounted under the cost method. Under the cost method, the Parent Company recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

If the Parent Company loses control of a subsidiary, the Parent Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost or recognizes any resulting difference as a gain or loss in profit or loss attributable to the Parent Company.

4.04 Transportation Equipment

Transportation equipment is initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition transportation equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of transportation equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Parent Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation of transportation equipment is computed on the straight-line method based on the estimated useful life of five (5) years.

The transportation equipment's residual values, useful life and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of transportation equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a transportation equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.05 Impairment of Assets

At each reporting date, the Parent Company assesses whether there is any indication that any of its assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments,* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Parent Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.06 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.07 Financial Liabilities

4.07.01 Initial Recognition and Measurement

The Parent Company recognizes a financial liability in its separate statements of financial position when, and only when, the Parent Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Parent Company measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the liability.

4.07.02 Classification

The Parent Company classifies all financial liabilities as subsequently measured at amortized cost, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Parent Company's financial liabilities at amortized cost pertain to accrued expenses and other payables (except withholding taxes payable), loans payable, dividends payable, due to related parties, and deposit for future stock subscription.

The Parent Company does not have financial liabilities at fair value through profit or loss in both years.

4.07.03 Deposit for Future Stock Subscription

Deposit for future stock subscription is defined as a subscription agreement which, among other things, states that the Parent Company is not contractually obliged to return the consideration received and that the Parent Company is obliged to deliver fixed number of own shares of stock for a fixed amount of cash or property paid or to be paid by the contracting party.

Deposit for future stock subscription is classified as equity if all the conditions required for such recognition have been met as of the end of the reporting period otherwise, if not, classified as a liability.

Deposit for future stock subscription is classified as an equity when all of the following conditions are met as of the end of the reporting date:

- the unissued authorized capital stock of the Parent Company is insufficient to cover the number of shares indicated in the contract;
- there is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- there is stockholders' approval of said proposed increase; and
- the application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

4.07.04 Derecognition

The Parent Company removes a financial liability (or part of a financial liability) from its separate statement of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.08 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company deducting all of its liabilities. Equity instruments issued by the Parent Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

If the instrument will or may be settled in the issuer's own equity instruments, it is a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

4.09 Employee Benefits

4.09.01 Short-term Benefits

The Parent Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits that the Parent Company may give should there be any employees include salaries and wages, medical benefits, SSS, Philhealth and HDMF contributions and other benefits. In both years, the Parent Company does not have employees.

4.10 Provisions

Provisions are recognized when the Parent Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Parent Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.11 Revenue Recognition

4.11.01 Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Parent Company and the amount of revenue can be measured reliably.

4.11.02 Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Parent Company and the amount of revenue can be measured reliably. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.12 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Parent Company.

The Parent Company recognizes expenses in the separate statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.13 Foreign Currency Transactions

In preparing the separate financial statements of the Parent Company, transactions in currencies other than the Parent Company's functional currency, i.e. foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

4.14 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Parent Company that is preparing its separate financial statements. A person or a close member of that person's family is related to Parent Company if that person has control or joint control over the Parent Company, has significant influence over the Parent Company, or is a member of the key management personnel of the Parent Company.

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

- The entity and the Parent Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Parent Company or an entity related to the Parent Company. If the Parent Company is itself such a plan, the sponsoring employers are also related to the Parent Company.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Parent Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.15 Taxation

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

4.15.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Parent Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.15.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Parent Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when they relate to income taxes levied by the same taxation authority and the Parent Company intends to settle its current tax assets and liabilities on a net basis.

4.15.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.16 Earnings per Share

The Parent Company computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

4.17 Events after the Reporting Period

The Parent Company identifies subsequent events as events that occurred after the reporting period but before the date when the separate financial statements were authorized for issue. Any subsequent events that provide additional information about the Parent Company's position at the reporting period, adjusting events, are reflected in the separate financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to separate financial statements when material.

4.18 Changes in Accounting Policies

The adoption of the new and revised standards and as disclosed in Note 2.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Parent Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Parent Company's accounting policies and that have the most significant effect on the amounts recognized in separate financial statements.

5.01.01 Functional Currency

The Parent Company determines its functional currency based on the economic substance of the underlying circumstances relevant to them. The US Dollar ($) is the currency that most faithfully represents the primary economic environment in which the Parent Company operates and it is the currency that mainly influences the underlying transactions, events and conditions relevant to the Parent Company. Hence, Management believes that US Dollar ($) is the Parent Company's functional currency since it represents the economic substance relevant to the Parent Company.

5.01.02 Assessment of Control

The Parent Company determines whether an entity qualifies as a subsidiary when it has control over an entity. The Parent Company controls an entity when it has the three (3) elements of control, as disclosed in Note 4. In making its judgments, the Parent Company considers all facts and circumstances when assessing control over an investee. A reassessment of control is conducted when there are changes to one or more of the three (3) elements of control. Any changes from at least one (1) of the elements would result to lose or gain of control over an entity.

In both years, the Parent Company, having one hundred percent (100%) ownership and voting interest, assessed that it has control over all of its subsidiaries since it has power over the subsidiaries, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns. The carrying amounts of investments in subsidiaries amounted to $89,134,452 in both years, as disclosed in Note 11.

5.01.03 Assessment of Contractual Terms of a Financial Asset

The Parent Company determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Parent Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of the financial assets are solely payments of principal and interest and consistent with the basic lending arrangement except for equity investments measured at fair value through other comprehensive income. In both years, carrying amount of financial asset at FVOCI amounted to nil, as disclosed in Note 9. As of December 31, 2021 and 2020, the aggregate carrying amounts of the Parent Company's financial assets at amortized cost amounted to $195,345,067 and $180,287,737, respectively, as disclosed in Note 25.01.

5.01.04 Assessment on the Bifurcation of Embedded Derivative

The Parent Company determines whether the embedded derivative component of the Parent Company's Note Facility Agreement (NFA) should be modified in relation to changes in a variable, such as an interest rate, commodity price, credit rating, or foreign exchange rate.

The Parent Company assessed that the embedded derivative in the NFA is closely related to the host contract, thus it was not bifurcated from the host contract based on the provisions of PFRS 9. As of December 31, 2021 and 2020, carrying amounts of long-term loans amounted to $50,228,752, and $57,681,785, respectively, as disclosed in Note 14.

5.01.05 Assessment of 30 days Rebuttable Presumption

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

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

5.01.06 Assessment of 90 days Rebuttable Presumption

An entity determines when a default occurs on its financial assets based on the credit Management practice of the entity.

Management assessed that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is applicable.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimated 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 financial year.

5.02.01 Estimating Allowance for Expected Credit Losses

The Parent Company evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical experience, macro-economic factors, industry performance, and financial information.

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

The Parent Company uses performance of client industry, macro-economic factors and economy's outlook to assess the expected credit losses on its other receivables, due from related parties, and miscellaneous deposit. In view of the foregoing factors, Management believes that the expected credit loss on other receivables and due from related parties is nil.

As of December 31, 2021 and 2020, the aggregate carrying amounts of aforementioned financial assets amounted to $190,345,067 and $180,287,737, respectively, as disclosed in Note 25.01.

5.02.02 Asset Impairment

Impairment review is performed when certain impairment indicators are present. Determining the fair values of investments in subsidiaries requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. In assessing value in use, the estimated future cash flows shall be discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

While it is believed that the assumptions used in the estimation of fair values reflected in the separate 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 impact on the results of operations.

In both years, Management assessed that there is no indication of impairment on its investments in subsidiaries. As of December 31, 2021 and 2020, the carrying amounts of the investments in subsidiaries amounted to $89,134,452, as disclosed in Note 11.

5.02.03 Recoverability of Deferred Tax Assets

The Parent Company reviews the carrying amount at reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration.

In both years, based on Management's evaluation of its expected taxable profit in the near future, the Parent Company will not be able to utilize the benefit of the deferred tax assets. As of December 31, 2021 and 2020, the unrecognized deferred tax assets amounted to $2,786,568 and $1,310,515, respectively, as disclosed in Note 22.

5.02.04 Estimating the Fair Value of Financial Assets at FVOCI

The Company carries some of its financial assets, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, interest rates, the amount of changes in fair value would differ if the Company utilized different valuation methodology. Any changes in fair value of these financial assets would affect directly the profit or loss and equity.

In 2020, Management assessed that the fair value of financial assets at fair value through other comprehensive income amounted to nil, as disclosed in Note 9. In 2021, Management wrote of the fair value of financial assets at fair value through other comprehensive income, as disclosed in Note 9.

6. OFFSETTING OF FINANCIAL INSTRUMENTS

The following are the quantitative information for recognized financial assets and financial liabilities:

	Gross carrying amount (before offsetting)	Gross amount set-off	Net amount presented in the Separate Statements of Financial Position as part of Due from (to) Related Parties
December 31, 2021			
Financial asset			
Due from related Parties (Note 15)	**$ 43,783,505**	**$ -**	**$ 43,783,505**
Financial liability			
Due to related Parties (Note 15)	**$ -**	**$ -**	**$ -**
December 31, 2020			
Financial asset			
Due from related Parties (Note 15)	$ 58,795,261	$ 10,000,000	$ **48,795,261**
Financial liability			
Due to related Parties (Note 15)	$ 32,021,052	$ 10,000,000	$ **22,021,052**

In 2021 and 2020, all related party transactions with Cirtek Electronics Corporation are settled through payment of cash and offsetting, as disclosed in Note 15.

7. CASH

For the purpose of the separate statements of cash flows, cash pertains to cash in banks only.

Cash at the end of the reporting period as shown in the separate statements of cash flows can be reconciled to the related items in the separate statements of financial position. As of December 31, 2021 and 2020, cash in banks amounted to $46,628,851 and $28,025,441, respectively.

Cash in banks earn interest at floating rates. Finance income earned from bank deposits amounted to $14,424, $57,423, and $8,783 in 2021, 2020 and 2019, respectively.

In 2021, 2020 and 2019, unrealized foreign exchange gains (losses) recognized amounted to $(350,978), $191,468, and $264,312, respectively, as disclosed in Note 21.

8. OTHER RECEIVABLES

Other receivables pertain to the financial support extended to Caytron International Limited, the Parent Company's supply chain business partner in China. The amount is non-interest bearing and collectible on demand. As of December 31, 2021 and 2020, the carrying amounts of other receivables amounted to $4,640,905, and $5,217,905, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Parent Company's financial assets at fair value through other comprehensive income consist of unquoted equity shares representing 11% of the equity of Cloud Mondo Inc., acquired at a cost of $1,667,000 in 2017, but has been revalued at fair value as of January 1, 2018 amounting to nil. The fair value of the equity investment is obtained through market comparable approach (Level 3). The price is indicative of actual and regularly occurring market transactions on an arm's length basis.

In 2020, the fair value of the investment in unquoted equity instrument was based on the adjusted net asset value (NAV) approach. Under NAV approach, the fair value was derived by determining the fair value of each identifiable assets and liabilities of the investee. As of December 31, 2021 and 2020, the investee company is at start-up phase and has not yet commenced operations.

In 2021, the Parent Company wrote off the investment since the investee already ceased operations. Accordingly, the net changes in fair value amounted to $1,667,000 was transferred to retained earnings.

10. MISCELLANEOUS DEPOSIT

As of December 31, 2021 and 2020, miscellaneous deposit amounted to $1,960 and $2,082, respectively.

In 2021, 2020 and 2019, unrealized foreign exchange gain (loss) recognized amounted to ($121), $464, and $534, respectively, as disclosed in Note 21.

11. INVESTMENTS IN SUBSIDIARIES

Details of the Parent Company's investments in subsidiaries accounted at cost are as follows:

Name of Subsidiaries	Principal Activity
Cirtek Electronics International Corporation (CEIC)	Trading
Cirtek Electronics Corporation (CEC)	Manufacturing
Cirtek Advances Technologies and Solutions, Inc.- BVI (CATS)	Manufacturing
CATS- Philippine Branch (CATS-PB)	Branch Office
RBW Real Property, Inc. (RBWRP)	Real Property Developer
Quintel Cayman (QC)	Manufacturing
Quintel USA (QU)	Manufacturing

The table below summarizes the place of incorporation as well as the proportion of ownership and voting interest of the Parent Company's subsidiaries:

Name of Subsidiaries	Place of Incorporation and Operation	Proportion of Ownership and Voting Interest			
		2021		2020	
		DIRECT	INDIRECT	DIRECT	INDIRECT
CEIC	British Virgin Islands	100%		100%	
CEC	Philippines	100%		100%	
CATS	British Virgin Islands		100%		100%
CATS-PB	Philippines		100%		100%
RBWRP	Philippines		100%		100%
QC	Cayman Islands		100%		100%
QU	USA		100%		100%

This account consists of:

	2021	2020
CEIC	$ 86,143,703	$ 86,143,703
CEC	2,990,749	2,990,749
	$ 89,134,452	$ 89,134,452

No additional investments in subsidiaries in 2021 and 2020.

In 2021, 2020 and 2019, the subsidiaries declared and paid dividends totaling $15,500,000, $15,500,000, and $8,300,000, respectively, as disclosed in Note 15.

12. TRANSPORTATION EQUIPMENT – net

The carrying amounts of the Parent Company's transportation equipment are as follows:

		2021		2020
January 1				
Cost	$	**84,696**	$	84,696
Accumulated depreciation		**(84,696)**		(67,757)
Carrying Amount		**-**		16,939
Movements during the year				
Balance, January 1		**-**		16,939
Depreciation		**-**		(16,939)
Balance, December 31		**-**		-
December 31				
Cost		**84,696**		84,696
Accumulated depreciation		**(84,696)**		(84,696)
Carrying Amount	$	**-**	$	-

In 2021, 2020 and 2019, depreciation recognized amounted to nil, $16,939 and $16,939, as disclosed in Note 20.

In both years, fully depreciated transportation equipment is still in use.

In both years, there is neither additions made, nor transportation equipment held as a collateral to a loan agreement.

13. ACCRUED EXPENSES AND OTHER PAYABLES

Component of accrued expenses and other payables account are as follows:

		2021		2020
Accrued expenses	$	**68,680**	$	196,031
Accrued interest payable (Notes 14 and 19)		**312,441**		375,079
Withholding taxes payable		**273,292**		161,943
	$	**654,413**	$	733,053

Accrued expenses include professional, management and audit fees.

In 2021, 2020 and 2019, unrealized foreign exchange gains (loss) recognized amounted to nil, $3,861, and ($5,549), respectively, as disclosed in Note 21.

14. LOANS PAYABLE

The Parent Company's borrowings pertain to short-term and long-term bank loans.

	Current	Non-current	Total
December 31, 2021			
Short-term loans (Note 14.01)	**$ 17,858,711**	**$ -**	**$ 17,858,711**
Long-term loans (Note 14.02)	**17,391,810**	**32,836,942**	**50,228,752**
	$ 35,250,521	**$ 32,836,942**	**$ 68,087,463**
December 31, 2020			
Short-term loans (Note 14.01)	$ 48,008,811	$ -	$ 48,008,811
Long-term loans (Note 14.02)	7,364,398	50,317,387	57,681,785
	$ 55,373,209	$ 50,317,387	$ 105,690,596

14.01 Short-term Loans

Details of short-term loans are as follows:

	2021	2020
Bank loans		
Rizal Commercial Banking Corporation (RCBC)	**$ 1,630,993**	$ 2,762,100
Shinhan Bank – Manila Branch	**2,600,000**	3,600,000
	$ 4,230,993	$ 6,362,100
Commercial paper	**13,627,718**	41,646,711
	$ 17,858,711	$ 48,008,811

14.01.01 Bank loans

Terms and conditions of short-term loans are as follows:

- Revolving loan facilities with RCBC, which have payment terms of 180 days, unsecured and charged interest of 4.75% and 3.45% in 2021 and 2020, respectively.
- Loan agreement with Shinhan Bank - Manila Branch is unsecured, payable in one (1) year and has a fixed rate of 4.8% per annum. In 2021, the term of loan was extended until August 30, 2022 with interest of 3.75% per annum.

14.01.02 Commercial paper

The Securities and Exchange Commission (the "Commission") has approved on February 19, 2020 the Company's Amended Registration of up to Two Billion Pesos (Php2,000,000,000) or $39,401,103 worth of Commercial Paper (CP), which is listed on the Philippine Dealing and Exchange Corp. on February 20, 2020. The Commission has subsequently issued a Certificate of Permit to Offer Securities for Sale authorizing the sale and distribution of the aforesaid securities. The CPs may be issued in lump-sum or in tranches and shall have an interest rate fixed prior to the issuance. The succeeding tranches, if any, shall be issued within three (3) years from the date of effectivity of the subject Amended Registration Statement.

The initial issuance of Series A, B and C will carry discount rates of 5.332%, 5.582%, and 5.832%, respectively, calculated on a true-discount basis. The initial issuance will have the following tenors: 91 days, 182 days, and 364 days for Series A, B and C, respectively. Multinational Investment Bancorporation as a Sole Arranger and Lead Underwriter.

On May 29, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to ₱275,000,000 or $5,421,176.

On July 15, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to ₱494,000,000 or $ 9,892,861.

On September 1, 2020, listing of reissued CP maturing on February 18, 2021 amounted to ₱545,200,000 or $11,245,179.

On April 28, 2021, listing of re-issued CP maturing on April 28, 2023 amounted to ₱1,000,000,000 or $20,643,414.

Movements of the short-term loans are as follows:

	2021	2020	2019
Balance at January 1	**$ 48,008,811**	$ 24,584,593	$ 15,210,000
Proceeds from availment of loan	**20,643,414**	67,290,415	18,584,593
Unrealized foreign exchange loss (gain) (Note 21)	**(1,170,198)**	405,344	158,232
Loan repayments	**(49,623,316)**	(44,271,541)	(9,368,232)
Balance at December 31	**$ 17,858,711**	$ 48,008,811	$ 24,584,593

In 2021, 2020 and 2019, finance costs incurred and paid on short-term loans amounted to $752,156, $1,933,879, and $585,673, respectively, as disclosed in Note 19.

In both years, the Parent Company is not required maintain ratios to comply with the requirements of short-term loans.

In both years, the Parent Company has complied with all the requirements of the contract and has no default payments.

14.02 Long-term Loans

Details of long-term loans are as follows:

	Current	Non-current	Total
December 31, 2021			
Principal			
2016 NFA	$ 14,500,000	$ -	$ 14,500,000
2018 NFA	3,000,000	33,000,000	36,000,000
Deferred finance cost	(108,190)	(163,058)	(271,248)
	$ 17,391,810	**$ 32,836,942**	**$ 50,228,752**
December 31, 2020			
Principal			
2016 NFA	$ 6,500,000	$ 14,500,000	$ 21,000,000
2018 NFA	1,000,000	36,000,000	37,000,000
Deferred finance cost	(135,602)	(182,613)	(318,215)
	$ 7,364,398	$ 50,317,387	$ 57,681,785

Movements of long-term loans are as follows:

	2021	2020	2019
Balance at January 1	**$ 57,681,785**	$ 61,940,920	$ 72,806,671
Loan repayments	**(7,453,033)**	(4,259,135)	(10,865,751)
Balance at December 31	**$ 50,228,752**	$ 57,681,785	$ 61,940,920

Movements of deferred financing costs are as follows:

	2021	2020	2019
Balance at January 1	**$ 318,215**	$ 309,082	$ 443,329
Transaction costs recognized during the year	**3,155,748**	3,309,923	3,667,820
Amortization	**(3,202,715)**	(3,300,790)	(3,802,067)
Balance at December 31	**$ 271,248**	$ 318,215	$ 309,082

14.02.01 2016 NFA

On September 20, 2016, the Parent Company entered into a $30,000,000 NFA with Bank of the Philippine Islands (Initial Note Holder), BPI Asset Management and Trust Group (Facility and Paying Agent) and BPI Capital Corporation (Arranger). The NFA provided for the issuance of 5-year fixed rate corporate note which bears interest of 4.0% per annum payable quarterly. The net proceeds from the issuance of the Notes shall be used for capital expenditures, including production facilities and to refinance existing debt obligation and for working capital requirement.

Under the NFA, the Parent Company shall pay 30% of the loan outstanding on issue date in twelve (12) equal consecutive quarterly installments in the amount equivalent to 2.5% of loan outstanding on issue date commencing on the end of the 5th quarter until end of the 16th quarter from the Issue date. The remaining 70% of the loan outstanding on issue date is payable in four (4) equal consecutively quarterly installments in the amount equivalent to 17.5% of the loan outstanding on issue date commencing on the 17th quarter from the issue date until the maturity date, provided that each such date shall coincide with an interest payment date, and that the last installment shall be in an amount sufficient to fully pay the loan.

The NFA contained an embedded derivative arising from voluntary prepayment option where the Parent Company may redeem in whole or in part, equivalent to an amount not less than $100,000, the relevant outstanding notes on any interest payment date beginning on the third anniversary of the issue date, by paying the amount that is equivalent to the higher of (i) 102% of the unpaid principal amount together with any and all accrued interest up to the date of redemption at the applicable rate, and (ii) 100% of the unpaid principal amount of the loans together with any and all accrued interest up to date of redemption at the applicable rate and any related breakage costs (net of any breakage gains). The Parent Company assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9.

In accordance with the NFA, the following financial ratios must be maintained:

- Debt to equity ratio shall not, at any time, exceed 2:1;
- Debt service coverage ratio shall not, as of relevant testing date, be less than 1.5; and
- Current ratio shall not, at any time, be less than 1:1, provided however, this ratio shall not apply after the fourth anniversary of the issue date.

Equity is defined in the agreement as the aggregate of outstanding capital stock, additional paid-in capital stock, equity reserve and retained earnings at any date and as shown in the latest consolidated balance sheet of the Parent Company. Debt, on the other hand, is defined in the agreement as the aggregate of all obligations (whether actual or contingent) of the Parent Company and its subsidiaries to pay or repay money.

Debt service ratio is defined in the agreement as the net cash provided by operating activities plus unrestricted cash (as shown in the most recent audited consolidated financial statements) divided by the amount of debt service. Debt service, on the other hand, is defined in the agreement as the aggregate of all obligations (whether actual or contingent) of the Group to pay or repay including, without limitation: (i) all obligations of the Group for borrowed money evidenced by promissory notes or other instruments, (ii) all financial obligations of any other person guaranteed by the Group, (iii) all financial obligations of any other person secured by a security upon or in property owned by the Group, whether or not the Group have assumed or become liable for the payment of such financial obligations, and (iv) capitalized lease obligations of the Group which are capitalized in accordance with PFRS.

The carrying amount of the loan from the 2016 NFA as of December 31, 2021 and 2020 amounted to $14,500,000 and $21,000,000, respectively.

The Parent Company is compliant with the terms and conditions of the aforementioned loan agreement.

14.02.02 2018 NFA

On April 12, 2018, the Parent Company entered into a $40,000,000 NFA with Bank of Philippine Islands and Rizal Commercial Banking Corporation (each a "Noteholder" and collectively, the "Noteholders"), RCBC Trust and Investments Group (Facility and Paying Agent) and RCBC Capital Corporation (Issue Manager). The NFA provided for the conversion of the outstanding balance of the Parent Company's short-term bridge loan facilities with the Noteholders amounting $20,000,000 each Noteholder into long term credit facilities. The NFA provided for the issuance of 7-year fixed rate corporate note which bears interest of 6.25% per annum payable quarterly. The net proceeds from the issuance of the Notes shall be used to refinance the bridge loan facilities used to acquire the 100% ownership of Quintel Cayman.

Under the NFA, the Parent Company shall pay the 30% of the loan outstanding on issue date in 24 equal consecutive quarterly commencing at the end of the 1st year until the end of the 28th quarter from the issue date. The remaining 70% of the loan outstanding on issue date shall be paid in a single balloon payment at maturity date.

The NFA contained an embedded derivative arising from voluntary prepayment option where the Parent Company may redeem, in whole or in part, equivalent to an amount less than and in multiples of $5,000,000 on any interest payment date beginning on the first anniversary of the issue date, by paying a prepayment penalty equivalent to 2% of the principal amount of the Notes being redeemed, together with any and all accrued interest up to the date of redemption at the applicable rate and any related breakage costs (calculated from such non-interest payment date to the immediately succeeding interest payment date) actually incurred by the relevant Noteholders, if the redemption was made on a non-interest payment date. The prepayment penalty shall not apply if the redemption is due to: (i) interest costs or (ii) illegality.

The Parent Company assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9.

In accordance with the NFA, the following financial ratios must be maintained:

- Debt to equity ratio shall not, at any time, exceed 70:30;
- Debt service coverage ratio shall not, as of relevant testing date, be less than 1.15; and
- Current ratio shall not, at any time, be less than 1.10.

Equity is defined in the agreement as the aggregate of outstanding capital stock, additional paid-in capital stock, equity reserve and retained earnings at any date and as shown in the latest consolidated balance sheet of the Parent Company. Debt, on the other hand, is defined in the agreement as the aggregate of all obligations (whether actual or contingent) of the Parent Company and its subsidiaries to pay or repay money.

Debt service ratio is defined in the agreement as the result obtained by dividing (i) earnings before deducting interest expense, income tax, depreciation and amortization (EBITDA) and (ii) the amount of debt service. Debt service, on the other hand, is defined in the agreement as the aggregate of all payments for: (a) interest and principal payments due under the Agreement in the next twelve (12) months; (b) the principal and interest payments due in the next twelve (12) months of all interest-bearing debt with tenor of more than twelve (12) months, and (c) netting obligations of the Issuer due in the next twelve (12) months under permitted hedging arrangements, if applicable.

The carrying amount of the loan from the 2018 NFA amounted to $36,000,000 and $37,000,000 as of December 31, 2021 and 2020, respectively.

The Parent Company is compliant with the terms and conditions of the aforementioned loan agreement.

In 2021, 2020 and 2019, finance costs incurred on long-term loans amounted to $3,033,097, $1,629,211, and $2,707,942, respectively, as disclosed in Note 19.

As of December 31, 2021 and 2020, accrued interest payable amounted to $312,441 and $375,079, respectively, as disclosed in Note 13. In 2021, 2020 and 2019, finance cost paid $3,095,735, $1,815,570 and $2,146,505, respectively, as disclosed in Note 19.

15. RELATED PARTY TRANSACTIONS

Nature of relationship of the Parent Company and its related parties are disclosed below:

Related Parties	Nature of Relationship
Carmetheus Holdings, Inc.(CarHI)	Ultimate Parent
Camerton Inc. (CI)	Immediate Parent
Cirtek Electronics International Corporation (CEIC)	Subsidiary (Direct)
Cirtek Electronics Corporation (CEC)	Subsidiary (Direct)
Cirtek Advances Technologies and Solutions, Inc.- BVI (CATS)	Subsidiary (Indirect)
CATS- Philippine Branch (CATS-PB)	Subsidiary (Indirect)
RBW Real Property, Inc. (RBWRP)	Subsidiary (Indirect)
Quintel Cayman	Subsidiary (Indirect)
Quintel USA	Subsidiary (Indirect)
Stockholders	Key Management Personnel

15.01 Due from Related Parties

Balances of due from related parties as shown in the separate statements of financial position are summarized per category as follows:

15.01.01 Subsidiaries

Transactions with subsidiaries are detailed as follows:

	December 31, 2021		December 31, 2020	
	Amounts/ Volume	Outstanding Balances	Amounts/ Volume	Outstanding Balances
CEIC				
Advances	$ 15,500,000	$ 44,025,739	$ 12, 500,000	$ 33,825,739
Dividends (Note 11)	15,500,000	-	12,500,000	-
CEC				
Advances	3,152,601	43,783,505	3,000,000	58,795,261
Offsetting (Note 6)	-	-	-	(10,000,000)
Dividends (Note 11)	-	-	3,000,000	-
CATS-PB				
Advances	600,000	40,806,736	12,162,441	44,535,403
QUINTEL CAYMAN				
Advances	-	15,245,001	9,885,906	19,885,906
RBWRP				
Advances	212,371	212,371	-	-
	$ 24,464,972	$ 144,073,352	$ 53,048,347	$ 147,042,309

In 2021, 2020 and 2019, advances granted to related parties amounted to $14,464,972, $38,657,796 and $58,372,962, respectively.

In 2021, 2020 and 2019, collection of advances to subsidiaries amounted to $22,433,929, $20,962,321 and $75,004,851, respectively.

In 2021, 2020 and 2019, the subsidiaries declared and paid dividends totaling $15,500,000, $15,500,000, and $8,300,000, respectively, as disclosed in Note 11.

Advances are mainly to support the working capital requirements of the related parties. The amounts outstanding are non-interest bearing, unsecured, collectible on demand, and will be settled in cash. No guarantees have been received. No provisions have been made for expected credit losses in respect of the amounts owed by related parties.

15.01.02 Under Common Control

Transactions with related party under common control pertains to the amount owed by CHI arising from the assignments and set-off agreements.

The amounts outstanding on assignment are non-interest bearing, unsecured and will be settled in cash. No guarantees have been received. No provisions have been made for credit losses in respect of the amounts owed by a related party.

In 2021, 2020 and 2019, collection of advances to related parties under common control amounted to nil, $1,809,256 and nil, respectively.

Unrealized foreign exchange loss arising from advances to immediate parent amounted to nil, $1,109,449 and $279,706 in 2021, 2020 and 2019, respectively.

15.02 Due to Related Parties

Balances of due to related parties as shown in the separate statement of financial position are summarized per category as follows:

15.02.01 Subsidiaries

Transactions with subsidiaries are as follows:

	December 31, 2021		December 31, 2020	
	Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances
CEIC				
Result of assignments and settlements in 2011	$ -	$ -	$ -	$ 2,339,865
CEC				
Advances	-	-	-	32,021,052
Offsetting (Note 6)				(10,000,000)
	$ -	$ -	$ -	$ 24,360,917

The result of assignments and settlements in 2011 represents outstanding balance from Parent Company's purchase of CEC and CEIC amounting to $3.2million.

Advances pertain to cash transactions to be reimbursed to the related party for expenses made in behalf of the Parent Company.

The amount outstanding on assignments and advances are unsecured, non-interest bearing, payable on demand and will be settled in cash or offsetting. No guarantee has been given in respect of these advances.

In 2021, 2020 and 2019, advances received from related parties amounted to nil, nil, and $19,071,313, respectively.

In 2021, 2020 and 2019, payments made to related parties amounted to $24,360,917, $5,129,332, and $30,443,671, respectively.

15.03 Remuneration of Key Management Personnel

In 2021, 2020 and 2019, remuneration provided for directors and other members of key management personnel of the Parent Company amounted to $19,375, $19,758, and $35,498, respectively, as disclosed in Note 20.

16. DIVIDENDS DECLARED

The Parent Company has declared the following dividends to its equity holders:

Date of declaration	Date of record		Dividend per share	Shares outstanding		Total Dividends
2021						
March 1, 2021						
Preferred A	March 1, 2021	$	0.000012196	699,984,421	$	8,535
Preferred B1	March 1, 2021		1.011385	88,275		89,280
Preferred B2-A	March 1, 2021		0.015313	66,997,812		1,025,938
Preferred B2-B	March 1, 2021		0.015000	20,000,000		300,000
June 1, 2021						
Preferred B2-A	June 1, 2021	$	0.015313	66,997,812		1,025,938
Preferred B2-B	June 1, 2021		0.015000	20,000,000		300,000
September 1, 2021						
Preferred B2-A	September 1, 2021	$	0.015313	66,997,812		1,025,938
Preferred B2-B	September 1, 2021		0.015000	20,000,000		300,000
December 1, 2021						
Preferred B2-A	December 1, 2021	$	0.015313	66,997,812		1,025,938
Preferred B2-B	December 1, 2021		0.015000	20,000,000		300,000
					$	5,401,567
2020						
February 17, 2020						
Preferred B-2	March 9, 2020	$	0.015313	67,000,000	$	1,025,938
Preferred B-2	June 8, 2020		0.015313	67,000,000		1,025,937
Preferred B-2	September 8, 2020		0.015313	67,000,000		1,025,938
Preferred B-2	December 9, 2020		0.015313	67,000,000		1,025,937
March 06, 2020						
Preferred B-1	March 9, 2020	$	0.06125	70,000,000		8,537
March 06, 2020						
Preferred - A	March 8, 2020	$	0.000012196	700,000,000		89,084
July 17, 2020						
Common	August 11, 2020	$	0.001199	419,063,353		500,000
					$	4,701,567

Date of declaration	Date of record		Dividend per share	Shares outstanding		Total Dividends
2019						
January 30, 2019						
Preferred B-2	March 6, 2019	$	0.015313	67,000,000	$	1,025,971
Preferred B-2	June 6, 2019		0.015313	67,000,000		1,025,971
Preferred B-2	September 5, 2019		0.015313	67,000,000		1,025,971
Preferred B-2	December 5, 2019		0.015313	67,000,000		1,025,971
May 24, 2019						
Common	June 11, 2019	$	0.002366	419,063,353		984,221
Common	November 11, 2019		0.002386	419,063,353		1,002,163
May 24, 2019						
Preferred A	June 10, 2019	$	0.000012	700,000,000		8,537
					$	6,098,805

In 2021, 2020, and 2019, amounts of dividends declared were $5,401,567, $4,701,567, and $6,090,268, respectively.

In 2021, 2020 and 2019, cash dividends paid amounted to $5,401,567, $4,603,750, and $6,090,268, respectively. Accordingly, as of December 31, 2021 and 2020, dividends payable amounted to $126,955.

17. DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

At the special meeting held on July 18, 2018, the Board of Directors (BOD) approved by majority vote the amendment of the articles of incorporation to increase the Parent Company's authorized capital stock by ₱160,000,000 or $3,229,453 by increasing the authorized: (i) common stock by ₱120,000,000 or $2,422,089; and (ii) preferred stock A by ₱40,000,000 or $807,363. The Parent Company authorized the subscription by Camerton, Inc. to ₱40,000,000 or $807,363 of preferred A shares. Furthermore, the par value of preferred A shares shall be reduced from ₱0.10 to ₱0.05 per share. On the same date, the Parent Company's BOD approved by majority vote the reclassification of ₱100,000,000 or $2,018,408 preferred B-2 shares with a par value of ₱1.00 per share into ₱100,000,000 or $2,018,408 of a new class of shares denominated as preferred C shares divided into 100,000,000 of ₱1.00 share.

On September 7, 2018, the Parent Company's shareholders representing at least two-thirds (2/3) of the outstanding capital stock therefore approved the amendment of articles of incorporation to increase the Parent Company's authorized capital stock as endorsed by BOD. The shareholders also approved the resolution to delegate to the BOD the power and authority to determine and fix the terms and conditions of preferred C shares.

On December 13, 2018, Camerton, Inc. paid 25% of the additional subscription to preferred A shares amounting to ₱10,000,000 or $189,107.

As of December 31, 2020, the Company has not yet secured a certificate of approval of increase of capital stock from the Securities Exchange Commission (SEC). Moreover, the application has not yet been presented to SEC, hence deposit for future stock subscription was classified as a liability in 2020. In 2021, the deposit for future stock subscription has been refunded to the stockholder. As of December 31, 2021 and 2020, deposit for future stock amounted to nil and $189,107, respectively.

18. CAPITAL STOCK

Components of capital stock are as follows:

	2021	2020	2019
Common shares (Note 18.01)	$ 14,562,067	$ 9,594,321	$ 9,594,321
Preferred shares (Note 18.02)	3,925,528	3,032,140	2,615,995
Stock warrants	6,458,070	-	-
Additional paid-in capital	179,726,321	120,053,514	100,469,659
	$ 204,671,986	$ 132,679,975	$ 112,679,975

18.01 Common Shares

Shown below are the details of common shares as of December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized						
Common shares, ₱1.00 par value	1,200,000,000	$ 24,053,400	520,000,000	$ 1,190,523	520,000,000	$ 1,190,523
Issued and fully paid						
Balance, January 1	419,063,353	$ 9,594,321	419,063,353	$ 9,594,321	419,063,353	$ 9,594,321
Issuances	249,442,472	4,967,746	-	-	-	-
Balance, December 31	668,505,825	$ 14,562,067	419,063,353	$ 9,594,321	419,063,353	$ 9,594,321

On November 18, 2011, the Parent Company listed with the PSE its common stock, wherein it offered 42,163,000 shares to the public at issue price of ₱7 per share. The total proceeds with issuance of new shares amounted to ₱295.1 million ($6.8 million). The Parent Company incurred transaction costs incidental to the IPO amounting ₱47.3 million ($1.1 million), which was charged against "Additional paid-in capital" in the 2011 statement of financial position. As of December 31, 2011, the Parent Company has 162,163,000 issued common shares.

Stock Rights Offering

The Board of Directors and stockholders of Parent Company, in their special meetings held on September 28, 2020 and November 27, 2020, respectively, approved the following:

1. The approval to offer to all eligible stockholders of record of the Parent Company, as of the date to be set by its management in accordance with existing law and regulations (the 'Record Date'), rights to subscribe (the "Rights Offer") to the common shares of the Parent Company (the 'Rights Shares') with a bonus detachable warrant for each Rights Share (the 'Detachable Warrant'), subject to: (i) the approval of the increase in the Corporation's authorized capital stock; (ii) the registration or exemption requirements, whichever may be applicable, of the Securities and Exchange Commission ('SEC'); and (iii) the listing requirements of the Philippine Stock Exchange ('PSE').

2. The approval of the authority of any one (1) of the Chairman of the Board, the President, the Chief Financial Officer, and/or other senior officers of the Parent Company to fix the terms and conditions of the Rights Offer, including, but not limited to, the final issue size which shall be up to 250,000,000 common shares, the entitlement ratio, the offer price, the payment terms, the terms of the detachable warrant including the exercise price, the procedure for lodging the application to subscribe, the details and procedures for the various rounds of offer including the treatment of rump shares, as applicable, the Record Date and other relevant dates, and other terms, without the necessity of obtaining further approval from the stockholders and Board of Directors (BOD).

On January 6, 2021, the BOD passed resolutions approving a new the conduct of a Stock Rights Offering with issuance of bonus detachable warrants, which approval was refreshed on February 5, 2021.

On June 23, 2021, the Board of Directors of the Philippine Stock Exchange, Inc. in its meeting approved, the application of the Company to list up to 250,000,000 common shares (the "Right Shares"), with a par value of Php1.00 per share, to cover its Stock Rights Offering ("SRO") to all stockholders as of the proposed record date, at an Offer Price of ₱4.50 to ₱7.25 per Right Share, as well as its application to list up to 250,000,000 Bonus Detachable Warrants ("Detachable Warrants"), free of charge, with up to 250,000,000 underlying common shares at Exercise Price of ₱4.50 to ₱7.25

The original offer period of the SRO is for the period of July 12 to 22, 2021. However, the Office of the President recently issued Proclamation No. 1189 declaring July 20, 2021 as a regular holiday in observance of Eid'l Adha. Thus, the Parent Company and the Joint Issue Managers and Lead Underwriters agreed to extend the offer period for the SRO until July 23, 2021 (originally set to end on July 22, 2021). The SEC-Markets and Securities Regulation Department confirmed to the Parent Company on July 16, 2021 that it has no objection to the extension of the offer period.

In 2021, proceeds from issuance of common stock amounted to $27,322,606. As of December 31, 2021, stock warrants amounted to $6,458,070.

18.02 Preferred Shares

Details of Parent Company's redeemable preferred shares are as follows:

	2021			2020			2019		
	Shares		Amount	Shares		Amount	Shares		Amount
Authorized									
Preferred shares A, ₱0.10 par value	700,000,000	$	1,587,734	700,000,000	$	1,587,734	700,000,000	$	1,587,734
Preferred shares B-1, ₱1.00 par value	70,000,000		1,587,734	70,000,000		1,587,734	70,000,000		1,587,734
Preferred shares B-2, ₱1.00 par value	360,000,000		7,481,141	200,000,000		4,536,382	200,000,000		4,536,382
	1,130,000,000		10,656,609	970,000,000		7,711,850	970,000,000		7,711,850
Issued and fully paid									
Balance, January 1									
Preferred shares A	700,000,000		946,863	700,000,000		946,863	700,000,000		946,863
Preferred shares B-1	70,000,000		342,399	70,000,000		342,399	70,000,000		342,399
Preferred shares B-2	67.000.000		1.326.733	67.000.000		1.326.733	67.000.000		1.326.733
Preferred shares B-2B	20,000,000		946,863	700,000,000		946,863	700,000,000		946,863
Issuances									
Preferred shares B-2C	16,936,400		332,093	-		-	-		-
Preferred shares B-2D	28.625.500		561.295	-		-	-		-
Preferred shares B-2B	-		-	20,000,000		416,145	-		-
Balance, December 31									
Preferred shares A	700,000,000		946,863	700,000,000		946,863	700,000,000		946,863
Preferred shares B-1	70,000,000		342,399	70,000,000		342,399	70,000,000		342,399
Preferred shares B-2	67,000,000		1,326,733	67,000,000		1,326,733	67,000,000		1,326,733
Preferred shares B-2B	20.000.000		416.145	20.000.000		416.145	-		-
Preferred shares B-2C	16.936.400		332.093	-		-	-		-
Preferred shares B-2D	28.625.500		561.295	-		-	-		-
Balance, December 31	902,561,900	$	3,925,528	857,000,000	$	3,032,140	837,000,000	$	2,615,995

In 2015, the 400,000,000 preferred shares at par value of ₱0.10 were subscribed by Camerton, a principal shareholder of the Parent Company.

On September 8, 2017, the Parent Company's BOD, by majority vote, approved the amendment in the Parent Company's articles of incorporation to increase the Parent Company's authorized capital stock by₱300,000,000, or:

a) From ₱560,000,000, consisting of:
    i. ₱520,000,000 worth of common shares divided in to 520,000,000 common shares with par value of ₱1.00 per share; and
    ii. ₱40,000,000 worth of preferred shares divided into 400,000,000 Preferred A shares with par value of ₱0.10 per share.
b) To ₱860,000,000 consisting of:
    i. ₱520,000,000 worth of common shares divided into 520,000,000 common shares with par value of ₱1.00 per share;
    ii. ₱70,000,000 worth of Preferred A shares divided into 700,000,000 preferred A shares with par value of ₱0.10 per share; and
    iii. ₱270,000,000 worth of preferred B shares with par value of ₱1.00 per share. The Preferred B shares are further classified into the following series: (a) ₱70,000,000 worth of preferred B-1 shares, and (b) ₱200,000,000 worth of preferred B-2 shares, both having a par value of ₱1.00 per share.

On the same date, the additional 300,000,000 preferred A shares and 70,000,000 preferred B-1 shares shall be issued to and subscribed by Camerton at their par value of ₱0.10 per share and ₱1.00 per share, respectively. The Parent Company recognized preferred stock and additional paid-in capital amounting to \$0.1 million and \$0.3 million, respectively, net of subscriptions receivable. Preferred B-1 shares are not listed in the PSE.

On September 29, 2017, the Philippine SEC approved the Parent Company's application for the increase in authorized capital stock.

The features of the preferred A shares are (i) full voting rights, one vote for each share; (ii) preferred non-cumulative cash dividends at the rate of 1% of their par value per year, with no participation in further cash dividends which may be declared and paid to the common shares or any other class or series of shares; and (iii) the same stock dividends which may be declared and paid to the common shares or any other class or series of shares.

On September 15, 2017 and November 9, 2017, the Parent Company's BOD approved the following features, rights and privileges of preferred B-2 shares:

a. Non-voting;
b. Preferred, cumulative cash dividends of up to 6.125% of the issue price per year, at the discretion of the Parent Company's BOD, with no participation in further cash dividends which may be declared and paid to the common shares, provided that, other than the basis being their respective issue prices, the cash dividend rate for preferred B-1 shares and preferred A shares;
c. The same stock dividends which may be declared and paid to the common shares;
d. As and if approved by the Parent Company's BOD, redeemable in whole and not in part, at the sole option of the Parent Company at a price and at such time that the Parent Company's BOD shall determine;

In 2017, aggregate amount received from the issuance of preferred shares amounted to \$67,489,141. Related stock issuance cost amounted to \$775,635.

In 2018, partial payment received from subscription receivable on preferred shares A amounting to $578,882.

The Board of Directors, in its special meeting held on September 1, 2020, approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B2 Subseries B Shares and to denominate the Preferred B2 shares issued in 2017 consisting of 67 Million Preferred B-2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (USD1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On September 1, 2020, the Corporation disclosed that in its Special Meeting, the Board of Directors approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B-2 Subseries B Shares and to denominate the Preferred B-2 shares issued in 2017 consisting of 67 Million Preferred B2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (USD1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On October 7, 2020, the SEC issued the Certificate of Filing of Enabling Resolution approving the Corporation's Enabling Resolutions designating the subseries of Preferred B-2 Shares, namely: Preferred B2 Subseries A and Preferred B2 Subseries B, and to allocate the 200,000,000 Preferred B-2 Shares as follows: (i) 67,000,000 Preferred B-2 Subseries A Shares, and (ii) 33,000,000 Preferred B-2 Subseries B Shares, and the balance of 100,000,000 Preferred B-2 Shares shall be designated by the Board in subseries at a future date.

The Board of Directors, in its special meeting held on November 10, 2020, approved the subscription by Camerton, Inc. of up to 33,000,000 Preferred B2 Subseries B Shares of the Company at the subscription price of One US Dollar (USD1.00) per share.

The Board of Directors of TECH, in its special meeting held on December 2, 2020, approved the setting of the Dividend Rate of the Preferred B-2 Subseries B Shares to 6% per annum.

On December 21, 2020, the execution of the Subscription Agreement between Cirtek Holdings Philippines Corporation (the "Corporation" or "TECH") and Camerton, Inc. for the issuance of a total of P20,000,000,000 Preferred B-2 Subseries B Shares.

Preferred Shares Offering

The Board of Directors of Parent Company, in its special meeting held on November 5, 2021, approved the following:

1. Approval of the allocation of additional Preferred Class B-2 Subseries C and D Shares

   In line with the approved offering by way of primary offer of up to Seventy Million (70,000,000) cumulative, non-participating, non-voting, non-convertible, perpetual and redeemable peso-denominated Preferred Class B-2 shares with par value of Php 1.00 per share at an offer price of ₱50.00 per share, the Board approved the further allocation of the authorized and unissued Preferred Class B-2 Shares of Parent Company as follows: (i) up to Ten Million (10,000,000) Preferred Class B-2 Subseries B Shares as Preferred Class B-2 Subseries C Shares; and (ii) up to Thirty Million (30,000,000) Preferred Class B-2 Shares as Preferred Class B-2 Subseries D Shares, bringing the total number of unissued and outstanding Preferred Class B-2 Subseries C Shares is up to Sixty Million (60,000,000) and the total number of unissued and outstanding Preferred Class B-2 Subseries D Shares is up to Fifty Million (50,000,000).

   The Parent Company also clarified that the allocation of the up to Sixty Million (60,000,000) Preferred Class B-2 Subseries C Shares is not only as part of the Base Offer of 50,000,000 Preferred Class B-2 Shares but also in the event of oversubscription and that the allocation of up to Fifty Million (50,000,000) Preferred Class B-2 Subseries D Shares is not only in the event of oversubscription but as part of the Base Offer.

2. Approval of the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares

   The Board approved the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares as set forth in PNB Capital and Investment Corporation's latest Indicative Term Sheet as of November 3, 2021.

3. Approval and clarification of the offering and listing of the Preferred Class B-2 Subseries C and D Shares

The Board approved and clarified its authority to offer for sale or subscription up to Two Billion Five Hundred Million Pesos (₱2,500,000,000.00) in aggregate issue value, consisting of up to Fifty Million (50,000,000) Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Base Offer Shares"), by way of private placement, offer to qualified buyers and/or public offering at an offer price of Fifty Pesos (₱50.00) per share and that in the event of oversubscription, PNB Capital, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Corporation, has the right (but not the obligation) to offer up to an additional Twenty Million (20,000,000) Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Oversubscription Shares"), equivalent to an additional aggregate issue value of up to One Billion (₱1,000,000,000) at an offer price of Fifty Pesos (₱50.00) per share.

The Board also reiterated and clarified its authority to register the Base Offer Shares and/or Oversubscription Shares with the SEC and list the same in The Philippine Stock Exchange, Inc. ("PSE"), subject to compliance with SEC regulations and PSE listing rules.

On November 24, 2021, the SEC issued Order of Registration and Certificate of Permit to Sell in relation to the Company's registration of follow-on offering of 30,000,000 Preferred Class B-2 Shares (the "Base Offer Shares") with an over-subscription option of up to 20,000,000 Preferred Class B-2 Shares at an offer price of P50.00 per Preferred Class B-2 Shares and to be offered as either Subseries "C" or "D" (the "Offer").

The offer period will run from November 25, 2021 to December 3, 2021 with target issue date and listing date at the PSE on December 14, 2021.

In 2021, 2020 and 2019, proceeds from issuance of preferred stock amounted to $44,669,405, $20,000,000 and nil, respectively.

19. FINANCE COSTS

Components of finance costs as disclosed in Note 14 are as follows:

	2021	2020	2019
Short-term loans	$ 752,156	$ 1,933,879	$ 585,673
Long-term loans	3,033,097	1,629,211	2,707,942
	$ 3,785,253	$ 3,563,090	$ 3,293,615

In 2021, 2020 and 2019, finance cost paid amounted to $3,847,891, $3,749,449, and $2,732,178, respectively, as disclosed in Note 14. Accordingly, accrued interest payable amounted to $312,441 and $375,079, as of December 31, 2021 and 2020, respectively, as disclosed in Notes 13 and 14.

20. OPERATING EXPENSES

The account is composed of the following expenses:

	2021	2020	2019
Service fee	$ 913,676	$ 47,295	$ 25,287
Taxes and licenses	419,043	337,841	178,454
Professional fees	358,077	179,829	211,945
Advertising	84,182	47,326	42,160
Representation and entertainment	63,321	85,891	29,480
Penalties	59,180	-	4,791
Director's fee (Note 15)	19,375	19,758	35,498
Depreciation (Note 12)	-	16,939	16,939
Miscellaneous	10,272	15,616	16,049
	$ 1,927,126	$ 750,495	$ 560,603

Service fee includes payments for the processing of SRO.

Taxes and licenses pertain to notarial fees, withholding and registration fees.

Professional fees pertain to retainer's fee, legal fees and consultancy fees.

21. OTHER INCOME (EXPENSE) – net

Components of other income (expense) – net are as follows:

	2021	2020	2019
Unrealized foreign exchange gain (loss) – net	$ 819,099	$ (1,319,000)	$ (178,641)
Realized foreign exchange gain (loss)	(76,241)	(56,507)	(6,225)
Other income	162,219	421,901	-
	$ 905,077	$ (953,606)	$ (184,866)

Details of unrealized foreign exchange gain (loss) are as follows:

	2021	2020	2019
Due from related parties (Note 15)	$ -	$ (1,109,449)	$ (279,706)
Short-term loans (Note 14)	1,170,198	(405,344)	(158,232)
Accrued expenses and other payables (Note 13)	-	3,861	(5,549)
Miscellaneous deposits (Note 10)	(121)	464	534
Cash in banks (Note 7)	(350,978)	191,468	264,312
	$ 819,099	$ (1,319,000)	$ (178,641)

Other income pertains to a refund from PSE for the overpayment of listing fee.

22. INCOME TAXES

22.01 Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, the Republic Act (RA) 11534, known as "The Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE Act), was passed into law. The salient provisions of the CREATE Act applicable to the Company are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;

2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023;

3. Percentage tax reduced from 3% to 1% effective July 1, 2020, to June 30, 2023; and

4. The imposition of improperly accumulated earnings is repealed.

22.02 Income Taxes Recognized in Profit of Loss

A numerical reconciliation between tax expense and the product of accounting profit multiplied by the tax rate in 2021, 2020 and 2019 of 25%, 30% and 30%, respectively, is as follows:

		2021		2020		2019
Accounting profit	$	10,707,122	$	10,290,232	$	4,269,699
Tax expense at 25%/30%		2,676,781		3,087,070		1,280,910
Tax effects of:						
Unrecognized DTA on NOLCO		1,797,665		1,151,584		257,036
Unrecognized DTA on MCIT		1,622		8,438		60,000
Non-deductible finance cost		-		7,106		1,097
Non-deductible expense		-		25,767		-
Finance income subject to final tax		(3,606)		(17,227)		(2,621)
Unrecognized DTA on unrealized forex loss (gain)		(204,775)		395,700		-
Realization of prior year foreign exchange loss		(391,065)				
Dividend income exempt from tax		(3,875,000)		(4,650,000)		(1,590,000)
	$	1,622	$	8,438	$	60,000

Details of NOLCO are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2019	$	856,786	$	-	$	-	$	-	$	856,786	2022

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

Year Incurred	Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2020	$1,151,584	$	-	$	-	$	-	$	1,151,584	2025
2021	1,797,665		-		-		-		1,797,665	2026
	$2,949,249	$	-	$	-	$	-	$	2,949,249	

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

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three consecutive years only.

Details of MCIT are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2018	$	201,584	$	-	$	-	$	201,584	$	-	2021
2019		60,000		-		-		-		60,000	2022
2020		8,438		-		-		-		8,438	2023
2021		1,622		-		-		-		1,622	2024
	$	271,644	$	-	$	-	$	201,584	$	70,060	

Unrecognized deferred tax assets from NOLCO, MCIT and unrealized foreign exchange loss are detailed as follows:

		NOLCO		MCIT		Unrealized foreign exchange loss		Total
Balance, January 1, 2020	$	615,923	$	261,584	$	73,578	$	951,085
Unrecognized during the year		(44,708)		8,438		395,700		359,430
Balance, December 31, 2020		571,215		270,022		469,278		1,310,515
Unrecognized during the year		2,214,415		1,622		(391,065)		1,824,972
Effect of CREATE Act		(69,123)		(201,584)		(78,213)		(348,920)
Balance, December 31, 2021	**$**	**2,716,507**	**$**	**70,060**	**$**	**-**	**$**	**2,786,567**

23. EARNINGS PER SHARE

The Parent Company's earnings per share are $0.00793, $0.01451, and $0.00025 in 2021, 2020 and 2019, respectively.

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

		2021		2020		2019
Earnings used in the calculation of total basic earnings per share	$	**5,301,251**	$	6,080,227	$	105,815
Weighted average number of ordinary shares for the purposes of basic earnings per share		**668,505,825**		419,063,353		419,063,353

24. FAIR VALUE MEASUREMENTS

24.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Parent Company's financial assets and liabilities as of December 31, 2021 and 2020 are presented below:

	2021		2020	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Cash	$ 46,628,851	$ 46,628,851	$ 28,025,441	$ 28,025,441
Other receivables	4,640,905	4,640,905	5,217,905	5,217,905
Due from related parties	144,073,352	144,073,352	147,042,309	147,042,309
Miscellaneous deposit	1,959	1,959	2,082	2,082
	$ 195,345,067	$ 195,345,067	$ 180,287,737	$ 180,287,737
Financial Liabilities				
Accrued expenses and other payables	$ 381,121	$ 381,121	$ 571,110	$ 571,110
Loans payable	68,087,463	68,087,463	105,690,596	105,690,596
Dividends payable	126,955	126,955	126,955	126,955
Due to related parties	-	-	24,360,917	24,360,917
Deposit for future stock Subscription	-	-	189,107	189,107
	$ 68,595,539	$ 68,595,539	$ 130,938,685	$ 130,938,685

Due to short-term maturities and within the normal operating cycle, the Parent Company believes that the carrying amount of cash, other receivables, due from related parties, miscellaneous deposit, accrued expenses and other payables (excluding withholding taxes payable), dividends payable, due to related parties and deposit for future stock subscription approximate their fair values.

Management believes that the carrying amount and the fair value of the loans payable are the same since the interest applied approximates the market rate.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Parent Company's Management provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Parent Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include credit risk, market risk which includes interest rate risk and liquidity risk.

25.01 Credit Risk Management

Credit risk is the risk of financial loss to the Parent Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Parent Company is exposed to credit risks from cash in banks, other receivables, due from related parties, and miscellaneous deposit all at amortized cost.

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

- Banks

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

- Other receivables, Due from Related Parties and Miscellaneous Deposit

  The Parent Company transacts only with recognized, creditworthy counterparties. In addition, receivable balances are monitored on an ongoing basis with the result that the Parent Company's exposure to expected credit loss is not significant.

Financial assets measured at amortized cost are as follows:

	2021	2020
Cash in banks	$ 46,628,851	$ 28,025,441
Other receivables	4,640,905	5,217,905
Due from related parties	144,073,352	147,042,309
Miscellaneous deposit	1,959	2,082
	$ 195,345,067	$ 180,287,737

The calculation of allowance for expected credit losses are based on the following three (3) components:

- Probability of Default (PD)

  PD is the likelihood over a specified period, usually one year that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.

- Loss Given Default (LGD)

  LGD is the amount of money a Parent Company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

- Exposure at Default (EAD)

  EAD is the total value a Parent Company is exposed to when a loan defaults. It refers to the gross carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses in 2021 and 2020:

	PD rate *a*	LGD rate *b*	EAD *c*	ECL *d=a*b*c*
December 31, 2021				
Cash in banks	**0.00%**	**0.00 to 98%**	**$ 46,628,851**	**$ -**
Other receivables	**0.00%**	**100.00%**	**4,640,905**	**-**
Due from related parties	**0.00%**	**100.00%**	**139,073,352**	**-**
Miscellaneous deposit	**0.00%**	**100.00%**	**1,959**	**-**
			$ 190,345,067	**$ -**

	PD rate *a*	LGD rate *b*	EAD *c*	ECL *d=a*b*c*
December 31, 2020				
Cash in banks	0.00%	0.00 to 98%	$ 28,025,441	$ -
Other receivables	0.00%	100.00%	5,217,905	-
Due from related parties	0.00%	100.00%	147,042,309	-
Miscellaneous deposit	0.00%	100.00%	2,082	-
			$ 180,287,737	$ -

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. In both years, the Parent Company estimated the probability of default to be nil.

In both years, loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 98%.

In both years, exposure at default is equal to the gross carrying amount of cash in banks.

Other Receivables

The Parent Company determined the probability of default rate by considering the following: the schedules of collections for the following years, the current, and of the collectability ofamount of other receivables. In both years, the Parent Company estimated the probability of default to be nil.

In both years, loss given default rate is 100% for all receivables because the Parent Company does not obtain collateral for these transactions.

In both years, exposure at default is equal to the gross carrying amount of other receivables.

Due from Related Parties

The Parent Company determined the probability of default rate by considering the following; the nature of business, status of operations and industry classification of the Parent Company's related parties; the past, current and forecast performance of each counterparty. In both years, the Parent Company estimated the probability of default to be nil for all related parties.

In both years, loss given default rate is 100% for all clients because the Parent Company does not obtain collateral for these transactions.

In both years, exposure at default is equal to the gross carrying amount of due from related parties.

Miscellaneous Deposit

Miscellaneous deposit represents less than 1% of the total financial assets at amortized cost. Management assessment that the probability of default is nil for both years. The loss given default rate is 100% and the exposure at default is equal to the gross carrying amount.

25.02 Market Risk Management

25.02.01 Interest Rate Risk Management

The Parent Company's exposure to interest rate risk arises from its cash in bank, which is subject to variable interest rates and loans payable which is subject to fixed interest rates.

Profit for the years ended December 31, 2021 and 2020 would not be affected since interest rate risk exposure for its cash in banks, which is subject to variable rate, is immaterial and the loans payable are subject to fixed interest rates.

The Parent Company has no significant exposure on its loans payable since these are subject to fixed interest rates. Therefore, any change in the market interest rates has no effect on the amounts of future cash flows.

25.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Parent Company's short, medium and long-term funding and liquidity management requirements. The Parent Company manages liquidity risk by continuously monitoring forecast.

The following table details the Parent Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liability based on the earliest date on which the Parent Company can be required to pay. The tables include both interest and principal cash flows.

	Weighted Average Effective Interest Rate	On Demand	Within one (1) Year	Beyond one (1) Year	Total
December 31, 2021					
Accrued expenses and other payables	-	$ -	$ 381,121	$ -	$ 381,121
Loans payable	3.95%-7.00%	-	35,250,521	32,836,942	68,087,463
Dividends payable	-	-	126,955	-	126,955
		$ -	35,758,597	32,836,942	68,595,539
December 31, 2020					
Accrued expenses and other payables	-	$ -	$ 571,110	$ -	$ 571,110
Loans payable	3.95%-5.50%	-	55,373,209	50,317,387	105,690,596
Dividends payable	-	-	126,955	-	126,955
Due to related parties	-	24,360,917	-	-	24,360,917
Deposit for future stock subscription	-	-	189,107	-	189,107
	-	$ 24,360,917	$ 56,260,381	$ 50,317,387	$ 130,938,685

The following table details the Parent Company's expected maturity for its non-derivative financial assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Parent Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	Within one (1) Year	Total
December 31, 2021				
Cash in banks	Floating	$ 46,623,853	$ -	$ 46,623,853
Other receivables	-	-	4,645,904	4,645,904
Due from related parties	-	139,073,352	-	139,073,352
Miscellaneous deposit	-	-	1,959	1,959
		$ 185,697,205	$ 4,647,863	$ 190,345,068
December 31, 2020				
Cash in banks	Floating	$ 28,025,441	$ -	$ 28,025,441
Other receivables	-	-	5,217,905	5,217,905
Due from related parties	-	147,042,309	-	147,042,309
Miscellaneous deposit	-	-	2,082	2,082
		$ 175,067,750	$ 5,219,987	$ 180,287,737

26. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Parent Company manages its capital to ensure that the Parent Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Parent Company's overall strategy remains unchanged from 2020.

The capital structure of the Parent Company consists of debt (liabilities as detailed in Notes 13, 14, 15, 16 and 17) and equity of the Parent Company comprising capital stock, preferred stock, additional paid-in capital, net changes in fair value of equity investment at FVOCI and retained earnings as disclosed in Notes 9 and 18.

Pursuant to Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of 100% of their paid-in capital stock, except: 1) when justified by definite corporate expansion projects or programs approved by the board of directors; or 2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or 3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies. The Company is compliant with the above requirements.

The Parent Company's risk management committee reviews the capital structure of the Parent Company on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Parent Company has a target debt to equity ratio of 2:1 determined as the proportion of debt to equity.

The gearing ratio at end of the reporting period was as follows:

	2021	2020
Debt	$ 68,870,453	$ 131,109,066
Equity	215,609,067	138,313,123
Debt to equity ratio	0.32:1	0.95:1

Debt is defined as long- and short-term borrowings, as described in Notes 13, 14, 15, 16 and 17, while equity includes all capital and reserves of the Parent Company that are managed as capital.

27. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

		2021		2020
Beginning balance, January 1	$	130,742,654	$	116,105,693
Changes from financing cash flows				
Dividends declared		5,401,567		4,701,567
Finance cost incurred		3,785,253		3,563,090
Proceeds from loans payable		20,643,414		67,290,415
Advances received from related parties		-		19,979,523
Deposit for future stock subscription		(189,107)		-
Foreign exchange loss		(1,170,198)		(124,688)
Finance cost paid		(3,847,891)		(3,749,449)
Cash dividends paid		(5,401,567)		(4,603,750)
Advances paid to related parties		(24,360,917)		(5,129,332)
Payment of loans		(57,076,349)		(67,290,415)
Ending balance, December 31	$	68,526,859	$	130,742,654

28. EVENTS AFTER THE REPORTING PERIOD

28.01 Dividend Declaration

The Board of Directors of Parent Company, in its regular meeting held on February 11, 2022, approved the following:

Declaration of cash dividends on the following shares:

a. Preferred A Shares

Declaration of cash dividend of US$0.000012196 per share for each of the Seven Hundred Million (700,000,000) issued and outstanding Preferred A shares amounting to an aggregate sum of Eight Thousand Five Hundred Thirty-Seven Dollars and One Centavo (US$8,537.01), for payment and distribution on March 8, 2022 to shareholders of record as of March 1, 2022. The cash dividend shall be paid in Philippine Pesos at the Bangko Sentral ng Pilipinas ("BSP") exchange rate one day prior to payment date.

b. Preferred B-1 Shares

Declaration of cash dividend of Php0.06125 per share for each of the Seventy Million (70,000,000) issued and outstanding Preferred B-1 Shares amounting to an aggregate sum of Four Million Two Hundred Eight Seven Thousand Five Hundred Pesos (Php4,287,500.00) for payment and distribution March 8, 2022 to shareholders of record as of March 1, 2022.

c. Preferred B-2 Subseries A Shares ("Preferred B-2A Shares"):

Declaration of Cash dividend of US Dollars 0.015313 (US$0.015313) per share for each of the Sixty Seven Million (67,000,000) outstanding and issued Preferred B-2A shares amounting to an aggregate sum of US Dollars One Million Twenty Five Thousand Nine Hundred Thirty Seven and Fifty Cents (US$1,025,937.50), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A shares shall be made to the entitled shareholders on the following dates:

(i) March 8, 2022 to shareholders of record as of March 1, 2022;

(ii) June 8, 2022 to shareholders of record as of June 1, 2022;

(iii) September 8, 2022 to shareholders of record as of September 1, 2022; and

(iv) December 9, 2022 to shareholders of record as of December 1, 2022.

d. Preferred B-2 Subseries B Shares ("Preferred B-2B Shares"):

Declaration of cash dividend of US Dollars 0.015 (US$0.015) per share for each of the Twenty Million (20,000,000) outstanding and issued Preferred B-2B Shares amounting to an aggregate sum of US Dollars Three Hundred Thousand (US$300,000.00), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2B shares shall be made to the entitled shareholders on the following dates:

(i) March 18, 2022 to shareholders of record as of March 4, 2022;

(ii) June 17, 2022 to shareholders of record as of June 3, 2022;

(iii) September 20, 2022 to shareholders of record as of September 6, 2022; and

(iv) December 20, 2022 to shareholders of record as of December 6, 2022.

e. Preferred B-2 Subseries C Shares ("Preferred B-2C Shares") and Preferred B-2 Subseries D Shares ("Preferred B-2D Shares"):

Declaration of cash dividend of ₱0.016466 per share for each of Sixteen Million Nine Hundred Thirty-Six Thousand Four Hundred (16,936,400) outstanding and issued Preferred B-2 Subseries C Shares amounting to an aggregate sum of Two Hundred Seventy-Eight Thousand Eight Hundred Seventy-Four Pesos (₱278,874) and Declaration of cash dividend of ₱0.019377 per share for each of the Twenty Eight Million Six Hundred Twenty-Five Thousand and Five Hundred Pesos (28,625,500) outstanding and issued Preferred B-2 Subseries D Shares amounting to an aggregate sum of Five Hundred Fifty-Four Thousand Six Hundred Seventy-Six Pesos (₱554,676), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends for each of Preferred B-2C and Preferred B-2D shares shall be made to the entitled shareholders on the following dates:

(i) March 25, 2022 to shareholders of record as of March 10, 2022;

(ii) June 27, 2022 to shareholders of record as of June 10, 2022;

(iii) September 26, 2022 shareholders of record as of September 09, 2022; and

(iv) December 26, 2022 shareholders of record as of December 09, 2022.

29. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

These separate financial statements were approved and authorized for issuance by the Board of Directors on April 11, 2022.

30. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATION NO. 15-2010

The Bureau of Internal Revenue (BIR) released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Separate Financial Statements. Below are the disclosures required by the said Regulation:

30.01 Taxes and Licenses Paid or Accrued

The details of the Parent Company's taxes and licenses fees paid or accrued in 2021 are as follows:

30.01.01 Documentary Stamp Tax

Details of documentary stamp tax are as follows:

		In USD		In PHP
Loans	$	87,064	₱	4,369,493
Issuance of shares		22,248		1,073,155
	$	**109,312**	₱	**5,442,648**

30.01.02 Other Taxes and Licenses

An analysis on the Parent Company's other taxes and licenses and permit fees paid or accrued during the year is as follows:

		In USD		In PHP
Listing and registration fees	$	296,911	₱	14,578,958
Business permits		1,400		67,344
Others		11,420		548,881
	$	**309,731**	₱	**15,195,183**

30.01.03 Withholding Taxes

An analysis on the Company's withholding taxes paid or accrued during the year is as follows:

		In USD		In PHP
Final withholding tax	$	272,734	₱	13,909,149
Expanded withholding taxes		559		28,491
	$	273,293	₱	13,937,640

31. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATION NO. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

31.01 Non-Operating and Taxable Other Income

Non-operating and taxable other income pertains to other income amounting to $162,219 or ₱8,110,950.

31.02 Itemized Deductions

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

		In USD		In PHP
Finance cost	$	3,785,253	₱	192,709,939
Realized forex loss		1,640,501		82,963,466
Service fee		913,676		45,208,598
Taxes and licenses		419,043		20,637,832
Professional fees		358,077		17,701,300
Advertising		84,182		4,093,179
Representation		63,321		3,115,478
Penalties		59,180		2,886,000
Director's fee		19,375		947,789
Miscellaneous		10,272		509,214
	$	7,352,880	₱	370,772,795

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2021 and 2020

	2021	2020
A. SHORT-TERM LIQUIDITY RATIO		
CURRENT RATIO	5.42	0.67
Current Assets	195,345,068	180,287,737
Current Liabilities	36,033,511	269,422,189
WORKING CAPITAL TO ASSETS	0.56	(0.33)
(Current Assets - Current Liabilities)	159,311,557	(89,134,452)
Total Assets	284,479,520	269,422,189
B. LONG-TERM SOLVENCY		
ASSET TO EQUITY	1.32	1.95
Total Assets	284,479,520	269,422,189
Shareholders' Equity	215,609,067	138,313,123
DEBT TO EQUITY	0.32	0.95
Total Liabilities	68,870,453	131,109,066
Shareholders' Equity	215,609,067	138,313,123
LONG-TERM DEBT TO EQUITY	0.23	0.42
Long-Term Debt	50,228,752	57,681,785
Shareholders' Equity	215,609,067	138,313,123

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2021 and 2020

	2021	2020
FIXED ASSETS TO EQUITY	-	-
(Fixed Assets - Accumulated Depreciation)	-	-
Shareholders' Equity	215,609,067	138,313,123
CREDITORS EQUITY TO TOTAL ASSETS	0.24	0.49
Total Liabilities	68,870,453	131,109,066
Total Assets	284,479,520	269,422,189
FIXED ASSETS TO LONG-TERM DEBT	-	-
(Fixed Assets - Accumulated Depreciation)	-	-
Long-Term Debt	50,228,752	57,681,785
C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	0.04	0.04
Net Profit	10,705,500	10,281,794
Average Total Assets	276,950,855	249,686,193
RATE OF RETURN ON EQUITY	0.06	0.08
Net Profit	10,705,500	10,281,794
Average Stockholders' Equity	176,961,095	125,523,010

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2021 and 2020

	2021	2020
D. PROFITABILITY RATIOS		
GROSS PROFIT RATIO	1.00	1.00
Gross Income	15,514,424	15,557,423
Revenues	15,500,000	15,500,000
OPERATING INCOME TO REVENUES	0.69	0.66
Income from Operations	10,705,500	10,281,794
Revenues	15,500,000	15,500,000
PRETAX INCOME TO REVENUES	0.69	0.66
Pretax Profit	10,707,122	10,290,232
Revenues	15,500,000	15,500,000
NET INCOME TO COMMISSION INCOME	0.69	0.66
Net Income	10,705,500	10,281,794
Revenues	15,500,000	15,500,000
E. INTEREST COVERAGE RATIO		
INTEREST COVERAGE RATIO	2	2
Eanings Before Interest and Tax	6,921,869	6,727,142
Interest Expense	3,785,253	3,563,090

CIRTEK HOLDINGS PHILIPPINES CORPORATION
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
December 31, 2021

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Schedule I

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2021

Retained Earnings, as of December 31, 2020	$	7,300,148
Net income during the period closed to retained earnings		10,705,500
Unrealized foreign exchange gain		468,121
Write off of financial asset at fair value through other comprehensive income		-
Dividends declared		(1,667,000)
Retained Earnings, as of December 31, 2021	$	**16,806,769**

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule A – Financial Assets
December 31, 2021

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Income accrued

Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2021

Name of Debtor		Balance at beginning of period		Additions		Amounts Collected		Current		Balance at end of period
Cirtek Electronics International Corporation (CEIC)	$	33,825,739	$	15,500,000	$	5,300,000	$	44,025,739	$	44,025,739
Cirtek Electronics Corporation (CEC)		48,795,261		3,152,601		8,164,357		43,783,505		43,783,505
CATS- Philippine Brach (CATS-PB)		44,535,403		600,000		4,328,667		40,806,736		40,806,736
Quintel Cayman		19,885,906		-		4,640,905		15,245,001		15,245,001
RBW Real Property, Inc. (RBWRP)		-		212,371		-		212,371		212,371
	$	147,042,309	$	19,464,972	$	22,433,929	$	144,073,352	$	144,073,352

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2021

Related Parties	Balance at beginning of period	Amount/ Volume	Amounts Collected	Outstanding Balances
Cirtek Electronics International Corporation (CEIC)	$ 33,825,739	$ 15,500,000	$ 5,300,000	$ 44,025,739
Cirtek Electronics Corporation (CEC)	48,795,261	3,152,601	8,164,357	43,783,505
Cirtek Advances Technologies and Solutions, Inc.- BVI (CATS)	44,535,403	600,000	4,328,667	40,806,736
Quintel Cayman	19,885,906	-	4,640,905	15,245,001
RBW Real Property, Inc. (RBWRP)	-	212,371	-	212,371
	$ 147,042,309	$ 19,464,972	22,433,929	$ 144,073,352

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule D - Intangible Assets - Other Assets
December 31, 2021

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance

Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule E - Long-Term Debt
December 31, 2021

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
Note Facility Agreement	N/A	$	17,391,810	$	32,836,942

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule F - Indebtedness to Related Parties
(Included in the Consolidated Statements of Financial Position)
December 31, 2021

Name of Related Parties		Balance at beginning of period		Balance at end of period

Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2021

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

Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule H - Capital Stock
December 31, 2021

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	1,200,000,000	668,505,825	249,442,472	110,260,791	9	558,245,025
Preferred shares A, P0.10 par value	700,000,000	700,000,000	-	-	-	700,000,000
Preferred shares B-1, ₱1.00 par value	70,000,000	70,000,000	-	-	-	70,000,000
Preferred shares B-2, P1.00 par value	360,000,000	132,561,900	-	-	-	132,561,900
	2,330,000,000	1,571,067,725	249,442,472	110,260,791	9	1,460,806,925