



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

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Period Covered: December 31, 2024

Submission Type: Amendment

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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

C	I	R	T	E	K		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S			
C	O	R	P	O	R	A	T	I	O	N																			

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

1	1	6		E	A	S	T		M	A	I	N		A	V	E	N	U	E	,		P	H	A	S	E		V	
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Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

S	T	O	C	K		I	S	S	U	E	R	
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COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number/s

(632) 7729-6205

Mobile Number

N/A

No. of Stockholders

28

Annual Meeting
Month/Day

30-May

Fiscal Year
Month/Day

31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person

Brian Gregory Liu

Email Address

brian.liu@cirtek.ph

Telephone Number/s

(632) 7729-6205

Mobile Number

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.



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, 2024 and 2023 and for each of the three years then ended December 31, 2024 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 separate 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

ANTONIO S. CALLUENG
President and Chief Executive Officer

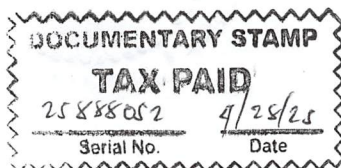
BRIAN GREGORY LIU
Chief Financial Officer

Signed this 28th day of April 2025.

SUBSCRIBED AND SWORN to before me this APR 28 2025 day of 2025 affiants exhibiting to me their respective Community Tax Certificates (CTCs), as follows:

<u>Name</u>	<u>CTC No.</u>	<u>Date of Issue</u>	<u>Place of Issue</u>
JERRY LIU	CCI2025 05369316	January 17,2025	City of Manila
ANTONIO CALLUENG	CCI2025 05369315	January 17,2025	City of Manila
BRIAN GREGORY LIU	CCI2025 05369322	January 17,2025	City of Manila

Doc. No. 22 ;
Page No. 6 ;
Book No. 17 ;
Series of 2025



ATTY. BENEDICTO M. JOSE
Notary Public for the City of Sta. Rosa
Until December 31, 2025
Notarial Commission A.N.C. No. 0047-SRCL
2F Cardiaz Building, Pearl Road,
SRCC, Balibago, Sta. Rosa City, Laguna
MCLE Compliance No. VII-0025591; 01.16.23
PTR No. 4980169; 01.02.25; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868



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 PHILIPPINES CORPORATION** (the "Parent Company"), which comprise the separate statements of financial position as at December 31, 2024 and 2023, 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 then ended December 31, 2024, and notes to the separate financial statements, including a summary of material 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, 2024 and 2023, and its separate financial performance and its separate cash flows for each of the three years then ended December 31, 2024 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the separate financial statements of the current period. These matters were addressed in the context of our audits of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Risk

In our view revenue recognition is significant to our audit since the Group is a profit-oriented business and a publicly-listed. The accounting policies for revenue recognition are set out in Note 4.

Our Response

Our audit procedures relating to revenue recognition included: understanding the Group's revenue cycle, performing system documentation and walkthrough, testing of controls, performing cut-off tests, and tracing of invoice to records.

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, 2024, 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, 2024 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, 19-2011 and 34-2020 in Note 25, 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 **ROSE ANGELI S. BERNALDO**.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until November 19, 2026

SEC Group A Accreditation No. 0300-SEC

Valid until 2024 audit period

BSP Group B Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2023

Valid from January 31, 2023 until January 30, 2026

IC Group A Accreditation No. 0300-IC

Valid until 2026 audit period



ROSE ANGELI S. BERNALDO

Partner

CPA Certificate No. 114127

BOA/PRC No. 0300/P-006

Valid until November 19, 2026

SEC Group A Accreditation No. 114127-SEC

Valid until 2027 audit period

BSP Group B Accreditation No. 114127-BSP

Valid until 2025 audit period

BIR Accreditation No. 08-007679-001-2023

Valid from October 20, 2023 until October 19, 2026

Tax Identification No. 211-870-290

PTR No. 10481163

Issued on January 15, 2025 at Makati City

April 28, 2025

CIRTEK HOLDINGS PHILIPPINES CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

(In US Dollars)

	NOTES	2024	2023
A S S E T S			
Current Assets			
Cash and cash equivalents	6	10,912,309	18,149,769
Due from related parties	11	144,439,972	143,681,472
Other assets		4,845	5,373
		155,357,126	161,836,614
Non-current Asset			
Investments in subsidiaries	7	89,134,452	89,134,452
TOTAL ASSETS		244,491,578	250,971,066
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Accrued expenses and other payables	9	431,977	555,848
Loans payable	10	24,044,065	11,956,241
Income tax payable		455	4,409
		24,476,497	12,516,498
Non-current Liability			
Loans payable – net of current portion	10	3,120,419	21,137,786
TOTAL LIABILITIES		27,596,916	33,654,284
S T O C K H O L D E R S ' E Q U I T Y			
Common Stock	13	14,562,067	14,562,067
Preferred Stock	13	3,925,528	3,925,528
Stock Warrants	13	-	6,458,070
Additional Paid-in Capital	13	186,184,391	179,726,321
Retained Earnings		12,222,676	12,644,796
TOTAL STOCKHOLDERS' EQUITY		216,894,662	217,316,782
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		244,491,578	250,971,066

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024, 2023 and 2022

(In US Dollars)

	NOTES	2024	2023	2022
DIVIDEND INCOME	7,11	13,000,000	17,900,000	10,600,000
FINANCE INCOME	6	63,209	85,643	64,988
		13,063,209	17,985,643	10,664,988
FINANCE COSTS	10,14	(1,941,425)	(2,574,703)	(3,618,558)
OPERATING EXPENSES	15	(396,698)	(646,830)	(1,460,674)
OTHER INCOME (EXPENSE) – net	16	(120,469)	375,266	677,068
PROFIT BEFORE TAX		10,604,617	15,139,376	6,262,824
INCOME TAX EXPENSE	17	(455)	(4,409)	-
PROFIT		10,604,162	15,134,967	6,262,824
TOTAL COMPREHENSIVE INCOME		10,604,162	15,134,967	6,262,824
Basic Earnings (Loss) per Share	18	(0.00063)	0.00620	(0.00365)

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024, 2023 and 2022

(In US Dollars)

	Notes	Common Stock	Preferred Stock	Stock Warrants	Additional Paid-in Capital	Retained Earnings	Total
Balance at January 1, 2023		14,562,067	3,925,528	6,458,070	179,726,321	10,937,081	215,609,067
Profit						6,262,824	6,262,824
Cash dividends declared	12					(8,702,044)	(8,702,044)
Balance at December 31, 2023	13	14,562,067	3,925,528	6,458,070	179,726,321	8,497,861	213,169,847
Profit						15,134,967	15,134,967
Cash dividends declared	12					(10,988,032)	(10,988,032)
Balance at December 31, 2024	13	14,562,067	3,925,528	6,458,070	179,726,321	12,644,796	217,316,782
Profit						10,604,162	10,604,162
Cash dividends declared	12					(11,026,282)	(11,026,282)
Reclassification	13			(6,458,070)	6,458,070		-
Balance at December 31, 2024	13	14,562,067	3,925,528	-	186,184,391	12,222,676	216,894,662

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024, 2023 and 2022

(In US Dollars)

	NOTES	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		10,604,617	15,139,376	6,262,824
Adjustments for:				
Finance cost	10,14	1,941,425	2,574,703	3,618,558
Unrealized foreign exchange (gain) loss – net	16	211,338	(81,348)	(350,208)
Gain on sale of transportation equipment	8,16	(22,423)	-	-
Finance income	6	(63,209)	(85,643)	(64,988)
Dividend income	7,11	(13,000,000)	(17,900,000)	(10,600,000)
Operating cash flows before changes in working capital		(328,252)	(352,912)	(1,133,814)
Decrease (Increase) in operating assets:				
Other receivables		-	-	4,640,905
Other assets		433	(3,573)	-
Decrease in accrued expenses and other payables		62,829	(58,752)	(124,966)
Cash generated from (used in) operations		(264,990)	(415,237)	3,382,125
Dividends received	7,11	13,000,000	17,900,000	10,600,000
Income taxes paid		(4,409)	-	(1,622)
Net cash from operating activities		12,730,601	17,484,763	13,980,503
CASH FLOWS FROM INVESTING ACTIVITIES				
Collection of advances to related parties	11	12,241,500	17,574,208	3,231,328
Finance income received	6	63,209	85,643	64,988
Proceed from sale of transportation equipment	8,16	22,423	-	-
Advances granted to related parties	11	(13,000,000)	(7,612,199)	(12,801,457)
Net cash from (used in) investing activities		(672,868)	10,047,652	(9,505,141)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from availments of short-term loans	10	2,585,583	14,684,975	10,662,865
Proceeds from availments of long-term loans	10	2,000,000	4,499,073	-
Finance cost paid	10,14	(2,075,259)	(2,568,080)	(3,410,688)
Payments of short-term loans	10	(1,714,431)	(25,177,231)	(14,701,648)
Payment of long-term loans	10	(8,770,195)	(7,574,323)	(17,500,000)
Cash dividends paid	12	(11,026,282)	(11,114,987)	(8,702,044)
Net cash used in financing activities		(19,000,584)	(27,250,573)	(33,651,515)
EFFECTS OF FOREIGN EXCHANGE RATE IN CASH AND CASH EQUIVALENTS	6,16	(294,609)	159,452	255,777
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(7,237,460)	441,294	(28,920,376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		18,149,769	17,708,475	46,628,851
CASH AND CASH EQUIVALENTS AT END OF YEAR		10,912,309	18,149,769	17,708,475

(See Notes to Separate Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS

As of December 31, 2024 and 2023 and for each of the
Three Years then Ended December 31, 2024

1. CORPORATE INFORMATION

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.

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 located at 116 East Main Avenue, Phase V-SEZ, Laguna Technopark, Biñan, Laguna.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). 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 FSRSC 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 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, 2024.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments clarify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

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 Parent 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 FSRSC and Approved by the Board of Accountancy (BOA)

- **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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

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

- **Amendments to PFRS 17, *Insurance Contracts***

The amendments cover the following areas:

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

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

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

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

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

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.

- Classification of financial assets:
 - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
 - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 *Financial Instruments*.
- PFRS 7, *Financial Instruments: Disclosures*
 - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.
 - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to

paragraph 28, but not to the corresponding paragraph in the implementation guidance.

- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

- **PFRS 18, *Presentation and Disclosure in Financial Statements***

PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- **PFRS 19, *Subsidiaries without Public Accountability: Disclosures***

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and

2.02.02 Deferred

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

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

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

3. BASIS FOR THE PREPARATION AND PRESENTATION OF 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 at 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. MATERIAL 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 Financial Assets

4.01.01 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 other receivables that do not have a significant financing component at their transaction price.

4.01.02 Classification

➤ Financial Asset at Amortized Cost

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

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

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

a) Cash in Banks and Cash Equivalents

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

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to insignificant risk of changes in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Due from Related Parties

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.

The Company has no financial assets measured at fair value through profit or loss and through other comprehensive income in both years.

4.01.03 Effective Interest Method

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

4.01.04 Impairment

The 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, cash equivalents, 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 Parent Company does not apply the 30 days past due rebuttable presumption because the Parent 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 Parent 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.

4.01.05 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 Investment 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.

Investment in subsidiaries are 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.

4.03 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.

4.04 Borrowing Costs

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

4.05 Financial Liabilities

4.05.01 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.

4.05.02 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 due to government agencies), and loans payable.

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

4.05.03 Derecognition

The Parent Company removes a financial liability (or part of a financial liability) from its separate statements 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.

4.06 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, preference shares and stock warrants are classified as equity.

4.07 Revenue Recognition

4.07.01 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.

4.08 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.

4.09 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.

4.10 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.

4.11 Taxation

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

4.11.01 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.

4.11.02 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.

4.11.03 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.

4.12 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.

4.13 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.

4.14 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 following factors are considered by the Parent Company in determining the functional currency of a foreign operation, and whether its functional currency is the same as that of the reporting entity:

- a. whether the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. An example of the former is when the foreign operation only sells goods imported from the reporting entity and remits the proceeds to it. An example of the latter is when the operation accumulates cash and other monetary items, incurs expenses, generates income and arranges borrowings, all substantially in its local currency.
- b. whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities.
- c. whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it.
- d. whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.

When the above indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

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 investment in subsidiaries amounted to \$89,134,452 as of December 31, 2024 and 2023, as disclosed in Note 7.

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. As of December 31, 2024 and 2023, the aggregate carrying amounts of the Parent Company's financial assets measured at amortized cost amounted to \$155,354,005 and \$161,833,021, respectively, as disclosed in Note 20.01.

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, 2024 and 2023, carrying amounts of long-term loans amounted to \$18,510,327, and \$25,657,461, respectively, as disclosed in Note 10.

5.01.05 Assessment of 30 days Rebuttable Presumption

The Parent Company determines when a significant increase in credit risks occurs on its financial assets based on the credit Management practice of the Parent 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 Parent 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 since based on the Parent Company's historical experience and aging schedules, past due amounts cannot be collected after 90 days.

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 on Financial Assets

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 and cash equivalents. In view of the foregoing factors, Management believes that the expected credit loss is immaterial, hence, no provision is recognized in both years.

The Parent Company uses performance of client industry, macro-economic factors and economy's outlook to assess the expected credit losses on its 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 immaterial, hence, no provision is recognized in both years.

As of December 31, 2024 and 2023, the aggregate carrying amounts of aforementioned financial assets measured at amortized cost amounted to \$155,354,005 and \$161,833,021, respectively, as disclosed in Note 20.01.

5.02.02 Asset Impairment

Impairment review is performed when certain impairment indicators are present. Determining the fair values of investment in subsidiaries and other assets (except for miscellaneous deposits) 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 investment in subsidiaries. As of December 31, 2024 and 2023, the carrying amounts of the investment in subsidiaries and other assets (except for miscellaneous deposits) amounted to \$89,137,573 and \$89,138,045, respectively.

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, 2024 and 2023, the unrecognized deferred tax assets amounted to \$5,745,264 and \$5,151,457, respectively, as disclosed in Note 17.

5.02.04 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

As of December 31, 2024 and 2023, the Parent Company did not recognized post-employment benefits since it has no employees. Further, the post employment benefits were recognized under its subsidiaries.

6. CASH AND CASH EQUIVALENTS

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

Cash and cash equivalent 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 follows:

		2024		2023
Cash in banks	\$	10,883,628	\$	15,593,887
Cash equivalents		28,681		2,555,882
	\$	10,912,309	\$	18,149,769

Cash in banks earn interest at floating rates. Cash equivalents earn 3.50% in both years. Aggregate finance income earned from bank deposits and cash equivalents amounted to \$63,209, \$85,643, and \$64,988 in 2024, 2023 and 2022, respectively.

In 2024, 2023 and 2022, unrealized foreign exchange gain (loss) recognized amounted to (\$294,609), \$159,452 and \$255,777, respectively, as disclosed in Note 16.

7. INVESTMENT IN SUBSIDIARIES

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

Name of Subsidiaries	Principal Activities
Cirtek Electronics International Corporation (CEIC)	Trading
Cirtek Electronics Corporation (CEC)	Manufacturing
Cirtek Advances Technologies and Solutions, Inc.- BVI (CATSI)	Manufacturing
CATS- Philippine Branch (CATSI-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			
		2024		2023	
		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:

	2024	2023
CEIC	\$ 86,143,703	\$ 86,143,703
CEC	2,990,749	2,990,749
	\$ 89,134,452	\$ 89,134,452

No additional investment in subsidiaries in 2024 and 2023.

In 2024, 2023 and 2022, the subsidiaries declared and paid dividends totaling \$13,000,000, \$17,900,000, and \$10,600,000, respectively, as disclosed in Note 12.

In both years, the Parent Company has determined that there is no indication that impairment has occurred on its investment in subsidiaries.

8. TRANSPORTATION EQUIPMENT – net

The carrying amounts of the Parent Company's transportation equipment as of December 31, 2024 and 2023 are as follows:

	2024		2023	
Cost	\$	-	\$	84,696
Accumulated depreciation		-		(84,696)
	\$	-	\$	-

In 2023, fully depreciated transportation equipment is still in use.

In 2024, fully depreciated transportation equipment was sold with proceeds amounting to \$22,423. The same amount was recognized as a gain, as disclosed in Note 16.

9. ACCRUED EXPENSES AND OTHER PAYABLES

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

	2024		2023	
Accrued interest payable (Notes 10 and 14)	\$	264,391	\$	398,225
Accrued expenses		12,295		2,429
Due to government agencies		155,291		155,194
	\$	431,977	\$	555,848

Accrued expenses include professional fees.

In 2024, 2023 and 2022, unrealized foreign exchange gains recognized amounted to nil, nil, and \$632, respectively, as disclosed in Note 16.

10. LOANS PAYABLE

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

	Current		Non-current		Total
December 31, 2024					
Short-term loans (Note 10.01)	\$	4,099,602	\$	-	\$ 4,099,602
Long-term loans (Note 10.02)		19,944,463		3,120,419	23,064,882
	\$	24,044,065	\$	3,120,419	\$ 27,164,484
December 31, 2023					
Short-term loans (Note 10.01)	\$	3,311,816	\$	-	\$ 3,311,816
Long-term loans (Note 10.02)		8,644,425		21,137,786	29,782,211
	\$	11,956,241	\$	21,137,786	\$ 33,094,027

10.01 Short-term Loans

Details of short-term loans are as follows:

	2024	2023
Bank loans		
Rizal Commercial Banking Corporation (RCBC)	\$ 214,019	\$ 642,056
Shinhan Bank – Manila Branch	1,300,000	1,500,000
Amalgamated Investment Corporation	2,585,583	-
Philippine Commercial Capital Inc.	-	1,169,760
	\$ 4,099,602	\$ 3,311,816

Movements of the short-term loans are as follows:

	2024	2023	2022
Balance at January 1	\$ 3,311,816	\$ 13,725,950	\$ 17,858,711
Proceeds from availment of loan	2,585,583	14,684,975	10,662,865
Unrealized foreign exchange loss (gain) (Note 16)	(83,366)	78,122	(93,978)
Loan repayments	(1,714,431)	(25,177,231)	(14,701,648)
Balance at December 31	\$ 4,099,602	\$ 3,311,816	\$ 13,725,950

In 2024, 2023 and 2022, finance costs incurred and paid on short-term loans amounted to \$466,819, \$556,731, and \$1,070,595, respectively, as disclosed in Note 14.

In both years, the Parent Company is not required to 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.

10.01.01 Bank loans

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

- Revolving loan facilities with RCBC, which have payment terms of 105 to 360 days, unsecured and charged interest of 4.75% in both years.
- 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 loan term was extended until August 30, 2022 with interest of 3.75% per annum. In 2022, the loan term was extended until August 30, 2023 with interest rate of 4.50% per annum. In 2023, the loan term was extended until November 30, 2024 with interest rate of 7.82% per annum. In 2024, the loan term was extended until August 30, 2025 with interest rate of 6.87% per annum.

10.01.02 Philippine Commercial Capital Inc.

In 2023, the Parent Company entered into various short-term loan agreements with an aggregate amount of \$14,684,975, loan terms ranging from 45 days to 344 days, unsecured with interest rates ranging from 5.51% to 8.45%. Payments to this loan in 2024 and 2023 amounted to \$1,169,760 and \$13,515,215, respectively.

10.01.03 Commercial Paper (CP)

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 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 P275,000,000 or \$5,421,176.

On July 15, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to P494,000,000 or \$9,892,861.

On September 1, 2020, listing of reissued CP maturing on February 18, 2021 amounted to P545,200,000 or \$11,245,179.

The issuance of Series D and E will carry discount rates of 4.000% and 4.250%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On April 28, 2021, listing of re-issued CP maturing on April 28, 2023 amounted to P1,000,000,000 or \$20,643,414.

The issuance of Series F and G will carry discount rates of 6.887% and 7.770%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On December 6, 2022, listing of re-issued CP maturing June 6, 2023 amounted to P293,800,000 or \$5,235,210.

Also, on December 6, 2022, listing of re-issued CP maturing December 5, 2023 amounted to P304,600,000 or \$5,427,655.

10.01.04 Amalgamated Investment Bancorporation (AIB)

On December 26, 2024, the Parent Company entered into a loan agreement with AIB amounting to \$2,585,583 with a loan term of thirty one (31) days with an interest rate of 10% per annum.

10.02 Long-term Loans

Summary of long-term loans are as follows:

		Current		Non-current		Total
December 31, 2024						
2018 NFA (Note 10.02.01)	\$	18,510,327	\$	-	\$	18,510,327
KEB Hanah Bank Manila (Note 10.02.02)		1,434,136		1,120,419		2,554,555
First Commercial Bank (Note 10.02.03)		-		2,000,000		2,000,000
	\$	19,944,463	\$	3,120,419	\$	23,064,882
December 31, 2023						
2018 NFA (Note 10.02.01)	\$	7,147,134	\$	18,510,327	\$	25,657,461
KEB Hanah Bank Manila (Note 10.02.02)		1,497,291		2,627,459		4,124,750
	\$	8,644,425	\$	21,137,786	\$	29,782,211

In 2024, 2023 and 2022, finance costs incurred on long-term loans amounted to \$1,474,606, \$2,017,972, and \$2,547,963, respectively, as disclosed in Note 14.

As of December 31, 2024 and 2023, accrued interest payable amounted to \$264,391 and \$398,225, respectively, as disclosed in Notes 9 and 14. In 2024, 2023 and 2022, finance cost paid amounted to \$1,608,440, \$2,011,349, and \$2,340,093, respectively, as disclosed in Note 14.

Availment of long-term loans amounted to \$2,000,000, \$4,499,073 and nil, respectively, while payment of long-term loans amounted to \$8,770,195, \$7,574,323 and \$17,500,000 in 2024, 2023 and 2022, respectively.

10.02.01 2018 NFA

Details of 2018 NFA are as follows:

	Current		Non-current		Total
December 31, 2024					
2018 NFA					
Principal	\$	18,600,000	\$	-	\$ 18,600,000
Deferred finance cost		(89,673)		-	(89,673)
	\$	18,510,327	\$	-	\$ 18,510,327
December 31, 2023					
2018 NFA					
Principal	\$	7,200,000	\$	18,600,000	\$ 25,800,000
Deferred finance cost		(52,866)		(89,673)	(142,539)
	\$	7,147,134	\$	18,510,327	\$ 25,657,461

Movements of 2018 NFA are as follows:

	2024	2023	2022
Balance at January 1	\$ 25,657,461	\$ 32,822,749	\$ 50,228,752
Loan repayments	(7,200,000)	(7,200,000)	(17,500,000)
Change in deferred finance cost	52,866	34,712	93,997
Balance at December 31	\$ 18,510,327	\$ 25,657,461	\$ 32,822,749

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 amounts of the loan from the 2018 NFA amounted to \$18,510,327 and \$25,657,461 as of December 31, 2024 and 2023, respectively.

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

10.02.02 KEB Hana Bank Manila

On August 7, 2023, the Parent Company entered into a loan agreement with KEB Hana Bank Manila amounting to \$4,499,073 with a loan term of three (3) years with an interest rate of 8% per annum, payable quarterly. The Parent Company made loan repayment amounting to \$1,570,195 and \$374,323 in 2024 and 2023, respectively. As of December 31, 2024 and 2023, loans from KEB Hana Bank amounted to \$2,554,555 and \$4,124,750, respectively.

10.02.03 First Commercial Bank., Ltd

On October 9, 2024, the Parent Company entered into a loan agreement with First Commercial Bank., Ltd. amounting to \$2,000,000 with a loan term of three (3) years with an interest rate of 6.5% per annum, payable quarterly. As of December 31, 2024, loans from First Commercial Bank., Ltd. amounted to \$2,000,000. The loan is secured by guarantees from the stockholders.

11. 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 (CATSI)	Subsidiary (Indirect)
CATS- Philippine Branch (CATSI-PB)	Subsidiary (Indirect)
RBW Real Property, Inc. (RBWRP)	Subsidiary (Indirect)
Quintel Cayman	Subsidiary (Indirect)
Quintel USA	Subsidiary (Indirect)
Stockholders	Key Management Personnel

11.01 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:

11.01.01 Subsidiaries

Transactions with subsidiaries are detailed as follows:

	December 31, 2024		December 31, 2023	
	Amounts/ Volume	Outstanding Balances	Amounts/ Volume	Outstanding Balances
CEIC				
Advances	\$ 13,000,000	\$ 75,237,938	\$ 7,612,199	\$ 62,237,938
Dividends (Note 7)	13,000,000	-	17,900,000	-
CEC				
Advances	-	30,141,516	-	40,941,333
CATSI-PB				
Advances	-	24,799,021	-	25,044,829
QC				
Advances	-	14,049,126	-	15,245,001
RBWRP				
Advances	-	212,371	-	212,371
	\$ 26,000,000	\$ 144,439,972	\$ 25,512,199	\$ 143,681,472

In 2024, 2023 and 2022, advances granted to related parties amounted to \$13,000,000, \$7,612,199 and \$12,801,457, respectively.

In 2024, 2023 and 2022, collection of advances to subsidiaries amounted to \$12,241,500, \$17,574,208 and \$3,231,328, respectively.

In 2024, 2023 and 2022, the subsidiaries declared and paid dividends totaling \$13,000,000, \$17,900,000, and \$10,600,000, respectively, as disclosed in Note 7.

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 provisions have been made for expected credit losses in respect of the amounts owed by related parties.

11.02 Remuneration of Key Management Personnel

In 2024, 2023 and 2022, remuneration provided for directors and other members of key management personnel of the Parent Company amounted to \$7,774, \$6,685 and \$6,676, respectively, as disclosed in Note 15.

12. DIVIDENDS DECLARED

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

Date of Payment	Date of record	Dividend per share	Shares outstanding	Total Dividends
2024				
March 8, 2024				
Preferred B-2	March 8, 2024	\$ 0.022812454	67,000,000	\$ 1,528,434
Preferred B-2B	March 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	March 14, 2024	0.014628383	16,936,400	247,752
Preferred B-2D	March 14, 2024	0.017214069	28,625,500	492,761
June 8, 2024				
Preferred B-2	June 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	June 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	June 14, 2024	0.014628383	16,936,400	236,864
Preferred B-2D	June 14, 2024	0.017214069	28,625,500	471,109
September 8, 2024				
Preferred B-2	September 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	September 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2024	0.014730167	16,936,400	249,476
Preferred B-2D	September 14, 2024	0.017333881	28,625,500	496,191
December 8, 2024				
Preferred B-2	December 09, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	December 16, 2024	0.014191387	16,936,400	240,351
Preferred B-2D	December 16, 2024	0.016699866	28,625,500	478,042
				\$ 11,026,282

2023					
March 8, 2023					
Preferred B-2	March 8, 2023	\$	0.022812463	67,000,000	\$ 1,528,435
Preferred B-2B	March 20, 2023		0.015000000	20,000,000	300,000
Preferred B-2C	March 14, 2023		0.018249640	16,936,400	309,083
Preferred B-2D	March 14, 2023		0.018249640	28,625,500	522,405
June 8, 2023					
Preferred B-2	June 8, 2023	\$	0.022812463	67,000,000	1,528,435
Preferred B-2B	June 19, 2023		0.015000000	20,000,000	300,000
Preferred B-2C	June 14, 2023		0.018062931	16,936,400	305,921
Preferred B-2D	June 14, 2023		0.018062931	28,625,500	517,060
September 8, 2023					
Preferred B-2	September 8, 2023	\$	0.022812454	67,000,000	1,528,435
Preferred B-2B	September 18, 2023		0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2023		0.017555856	16,936,400	297,333
Preferred B-2D	September 14, 2023		0.017555872	28,625,500	502,546
December 9, 2023					
Preferred B-2	December 11, 2023	\$	0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2023		0.025000000	20,000,000	500,000
Preferred B-2C	December 14, 2023		0.017996293	16,936,400	304,792
Preferred B-2D	December 14, 2023		0.017996293	28,625,500	515,153
					\$ 10,988,032
Date of declaration	Date of record		Dividend per share	Shares outstanding	Total Dividends
2022					
March 8, 2022					
Preferred B-2	March 3, 2023	\$	0.0153125	67,000,000	\$ 1,025,938
Preferred B-2B	March 18, 2023		0.0150000	20,000,000	300,000
Preferred B-2C	March 14, 2023		0.0196080	16,936,400	332,093
Preferred B-2D	March 14, 2023		0.0196080	28,625,500	561,295
June 8, 2022					
Preferred B-2	June 8, 2023	\$	0.0153125	67,000,000	1,025,938
Preferred B-2B	June 20, 2023		0.0150000	20,000,000	300,000
Preferred B-2C	June 14, 2023		0.0196080	16,936,400	332,093
Preferred B-2D	June 14, 2023		0.0196080	28,625,500	561,295
September 8, 2022					
Preferred B-2	September 8, 2023	\$	0.0153125	67,000,000	1,025,938
Preferred B-2B	September 16, 2023		0.0150000	20,000,000	300,000
Preferred B-2C	September 14, 2023		0.0196080	16,936,400	294,885
Preferred B-2D	September 14, 2023		0.0196080	28,625,500	498,408
December 9, 2022					
Preferred B-2	December 09, 2023	\$	0.0153125	67,000,000	1,025,938
Preferred B-2B	December 19, 2023		0.0150000	20,000,000	300,000
Preferred B-2C	December 14, 2023		0.0196080	16,936,400	304,152
Preferred B-2D	December 14, 2023		0.0196080	28,625,500	514,071
					\$ 8,702,044

In 2024, 2023, and 2022, amounts of dividends declared were \$11,026,282, \$10,988,032, and \$8,702,044, respectively.

In 2024, 2023 and 2022, cash dividends paid amounted to \$11,026,282, \$11,114,987, and \$8,702,044, respectively.

13. CAPITAL STOCK

Components of capital stock are as follows:

	2024		2023		2022	
Common shares (Note 13.01)	\$	14,562,067	\$	14,562,067	\$	14,562,067
Preferred shares (Note 13.02)		3,925,528		3,925,528		3,925,528
Stock warrants		-		6,458,070		6,458,070
Additional paid-in capital		186,184,391		179,726,321		179,726,321
	\$	204,671,986	\$	204,671,986	\$	204,671,986

13.01 Common Shares

Shown below are the details of common shares as of December 31, 2024, 2023 and 2022:

2024				2023				2022				
Shares		Amount		Shares		Amount		Shares		Amount		
Authorized												
Common shares, ₱1 par value												
1,200,000,000		\$	24,053,040	1,200,000,000		\$	24,053,040	1,200,000,000		\$	24,053,040	
Issued and fully paid												
Balance, January 1		668,505,825	\$	14,562,067	668,505,825		\$	14,562,067	668,505,825		\$	14,562,067
Issuance		-		-	-			-	-			-
Balance, December 31		668,505,825	\$	14,562,067	668,505,825		\$	14,562,067	668,505,825		\$	14,562,067

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 initial public offering (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.

Stock warrants was not exercised in 2024 hence, as of December 31, 2024 and 2023, stock warrants amounted to nil and \$6,458,070, respectively. The same amount was transferred to additional paid-in capital in 2024 as a result of expiration of stock warrants.

13.02 Preferred Shares

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

	2024		2023		2022	
	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	360,000,000	7,481,141	360,000,000	7,481,141
	1,130,000,000	10,656,609	1,130,000,000	10,656,609	1,130,000,000	10,656,609
Issued and fully paid						
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	20,000,000	416,145
Preferred shares B-2C	16,936,400	332,093	16,936,400	332,093	16,936,400	332,093
Preferred shares B-2D	28,625,500	561,295	28,625,500	561,295	28,625,500	561,295
Balance, December 31	902,561,900	\$ 3,925,528	902,561,900	\$ 3,925,528	902,561,900	\$ 3,925,528

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; and
- 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 \$1.00 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 \$1.00 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 \$1.00 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 ₱20,000,000,000 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 70,000,000 cumulative, non-participating, non-voting, non-convertible, perpetual and redeemable peso-denominated Preferred Class B-2 shares with par value of ₱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 10,000,000 Preferred Class B-2 Subseries B Shares as Preferred Class B-2 Subseries C Shares; and (ii) up to 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 60,000,000 and the total number of unissued and outstanding Preferred Class B-2 Subseries D Shares is up to 50,000,000.

The Parent Company also clarified that the allocation of the up to 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 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 ₱2,500,000,000 in aggregate issue value, consisting of up to 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 ₱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 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 ₱1,000,000,000 at an offer price of ₱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 ₱50.00 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.

14. FINANCE COSTS

Components of finance costs as disclosed in Note 10 are as follows:

	2024	2023	2022
Short-term loans	\$ 466,819	\$ 556,731	\$ 1,070,595
Long-term loans	1,474,606	2,017,972	2,547,963
	\$ 1,941,425	\$ 2,574,703	\$ 3,618,558

In 2024, 2023 and 2022, finance cost paid amounted to \$2,075,259, \$2,568,080 and \$3,410,688, respectively, as disclosed in Note 10. Accordingly, accrued interest payable amounted to \$264,391 and \$398,225 as of December 31, 2024 and 2023, respectively, as disclosed in Notes 9 and 10.

15. OPERATING EXPENSES

The account is composed of the following expenses:

	2024	2023	2022
Professional fees	\$ 180,383	\$ 210,599	\$ 291,201
Taxes and licenses	117,337	267,063	139,464
Representation and entertainment	50,032	68,145	115,089
Service fee	26,330	52,368	843,433
Director's fee (Note 11)	7,774	6,685	6,676
Advertising	1,292	27,595	33,829
Penalties	-	-	19,102
Miscellaneous	13,550	14,375	11,880
	\$ 396,698	\$ 646,830	\$ 1,460,674

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

Taxes and licenses pertain to documentary stamp taxes on loans, permits and registration, and notarial fees.

Service fee in 2022 includes payments for the processing of SRO and underwriting fee for preferred shares offering.

16. OTHER INCOME (EXPENSE) – net

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

	2024	2023	2022
Unrealized foreign exchange gain (loss) – net	\$ (211,338)	\$ 81,348	\$ 350,208
Realized foreign exchange gain	68,445	293,918	326,860
Gain on sale of transportation equipment (Note 8)	22,423	-	-
	\$ (120,469)	\$ 375,266	\$ 677,068

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

	2024	2023	2022
Cash in banks (Note 6)	\$ (294,609)	\$ 159,452	\$ 255,777
Accrued expenses and other payables (Note 9)	-	-	632
Miscellaneous deposits	(95)	18	(179)
Short-term loans (Note 10)	83,366	(78,122)	93,978
	\$ (211,338)	\$ 81,348	\$ 350,208

17. INCOME TAXES

17.01 Income Taxes Recognized in Profit of Loss

A numerical reconciliation between tax expense amounting to \$455, \$4,409 and nil, respectively, and the product of accounting profit multiplied by the tax rate in 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Accounting profit	\$ 10,604,617	\$ 15,139,376	\$ 6,262,824
Tax expense at 25%	2,651,154	3,784,844	1,565,706
Tax effects of:			
Unrecognized DTA on NOLCO	574,974	726,551	1,188,093
Unrecognized deferred taxes on unrealized forex loss (gain)	52,834	(20,337)	(87,552)
Non-deductible expense	3,951	5,353	-
Unrecognized DTA on MCIT	455	4,409	-
Finance income subject to final tax and other non-taxable income	(32,913)	(21,411)	(16,247)
Dividend income exempt from tax	(3,250,000)	(4,475,000)	(2,650,000)
	\$ 455	\$ 4,409	\$ -

Details of NOLCO from 2022 to 2024 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	\$ 6,726,224	\$ -	\$ -	\$ -	\$ 6,726,224	2025
2023	2,906,204	-	-	-	2,906,204	2026
2024	2,299,898	-	-	-	2,299,898	2027
	\$ 11,932,326	\$ -	\$ -	\$ -	\$ 11,932,326	

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	\$ 3,838,613	\$ -	\$ -	\$ -	\$ 3,838,613	2025
2021	7,190,661	-	-	-	7,190,661	2026
	\$ 11,029,274	\$ -	\$ -	\$ -	\$ 11,029,274	

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

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

Details of MCIT are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2021	\$ 1,622	\$ -	\$ -	\$ 1,622	\$ -	2024
2023	4,409	-	-	-	4,409	2026
2024	455	-	-	-	455	2027
	\$ 6,486	\$ -	\$ -	\$ 1,622	\$ 4,864	

Unrecognized deferred tax assets from NOLCO and MCIT are detailed as follows:

	NOLCO	MCIT	Total
Balance, January 1, 2023	\$ 4,438,875	\$ 7,951	\$ 4,446,826
Unrecognized during the year	726,551	(1,920)	724,631
Balance, December 31, 2023	5,165,426	6,031	5,171,457
Unrecognized during the year	574,974	(1,167)	573,807
Balance, December 31, 2024	\$ 5,740,400	\$ 4,864	\$ 5,745,264

18. EARNINGS (LOSS) PER SHARE

The Parent Company's earnings (loss) per share are \$(0.00063), \$0.00620, and \$(0.00365) in 2024, 2023 and 2022, respectively.

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

	2024		2023		2022	
Net income	\$	10,604,162	\$	15,134,967	\$	6,262,824
Adjustment on dividends declared to preference shares		(11,026,282)		(10,988,032)		(8,702,044)
Earnings (loss) used in the calculation of total basic earnings per share	\$	(422,120)	\$	4,146,935	\$	(2,439,220)
Weighted average number of ordinary shares for the purpose of basic earnings per share		668,505,825		668,505,825		668,505,825

As of December 31, 2024 and 2023, the Parent Company has no potential dilutive common shares.

19. FAIR VALUE MEASUREMENTS

19.01 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, 2024 and 2023 are presented below:

	2024		2023	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Cash and cash equivalents	\$ 10,912,309	\$ 10,912,309	\$ 18,149,769	\$ 18,149,769
Due from related parties	144,439,972	144,439,972	143,681,472	143,681,472
Miscellaneous deposit	1,724	1,724	1,780	1,780
	\$ 155,354,005	\$ 155,354,005	\$ 161,833,021	\$ 161,833,021
Financial liabilities				
Accrued expenses and other payables	\$ 276,686	\$ 276,686	\$ 400,654	\$ 400,654
Loans payable	27,164,484	27,164,484	33,094,027	33,094,027
	\$ 27,441,170	\$ 27,441,170	\$ 33,494,681	\$ 33,494,681

Due to short-term maturities the Parent Company believes that the carrying amount of cash and cash equivalents, due from related parties, miscellaneous deposit, and

accrued expenses and other payables (except due to government agencies), 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.

20. 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.

20.01 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, cash equivalents, 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.

➤ Due from Related Parties

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:

	2024		2023	
Cash in banks and cash equivalents	\$	10,912,309	\$	18,149,769
Due from related parties		144,439,972		143,681,472
Miscellaneous deposit		1,724		1,780
	\$	155,354,005	\$	161,833,021

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 2024 and 2023:

	PD rate <i>A</i>	LGD rate <i>B</i>	EAD <i>C</i>	ECL <i>D=A*B*C</i>
December 31, 2024				
Cash in banks and cash equivalents	0.00%	0.00% to 99.90%	\$ 10,912,309	\$ -
Due from related parties	0.00%	100.00%	144,439,972	-
Miscellaneous deposit	0.00%	100.00%	1,724	-
			\$ 155,354,005	\$ -
December 31, 2023				
Cash in banks and cash equivalents	0.00%	0.00% to 99.94%	\$ 18,149,769	\$ -
Due from related parties	0.00%	100.00%	143,681,472	-
Miscellaneous deposit	0.00%	100.00%	1,780	-
			\$ 161,833,021	\$ -

Cash in Banks and Cash Equivalents

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

In 2024 and 2023, loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 99.90% and 0.00% to 99.94%, respectively.

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

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

In both years, miscellaneous deposit represents less than 1% of the total financial assets at amortized cost which is considered immaterial. 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.

20.02 Market Risk Management

20.02.01 Philippine Peso Currency Risk Management

The Parent Company undertakes transactions denominated in Philippine Peso; consequently, exposures to exchange rate fluctuations arise.

Peso denominated assets and liabilities translated into USD at the closing rate is as follows:

		2024		2023	
		USD	PHP	USD	PHP
ASSETS					
Cash and cash equivalents	\$	8,490,607	₱ 492,574,084	\$ 15,551,271	₱ 864,137,482
Miscellaneous deposit		1,724	100,000	1,780	100,000
	\$	8,492,331	₱ 492,674,084	\$ 15,553,051	₱ 864,237,482
LIABILITIES					
Accrued expenses and other payables	\$	12,295	₱ 713,224	\$ 2,429	₱ 134,971
Loans payable		5,102,216	295,999,959	5,294,509	294,200,000
		5,114,511	296,713,183	5,296,938	294,334,971
NET EFFECT	\$	3,377,820	₱ 195,960,901	\$ 10,256,113	₱ 569,902,511

The Company is mainly exposed to Philippine Peso.

Exposures to currency exchange rates arise from the Parent Company's cash and cash equivalents miscellaneous deposits, accrued expenses and other payables and loans payable. To mitigate the Parent Company's exposure to peso currency risk, cash flows and fluctuations of rate changes are being monitored closely.

The Parent Company's sensitivity to increase and decrease for its peso transactions in 2024 and 2023, in the US Dollar against the Philippine Peso, is 1.47% and 1.57%, respectively.

The exchange rates used for every dollar are ₱58.014 and ₱55.567 in 2024 and 2023, respectively.

The sensitivity rates above are used when reporting peso currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in exchange rates. The sensitivity analysis includes outstanding peso denominated monetary items and adjusts their translation at the period end for a change in dollar exchange rates. A positive number below indicates an increase in profit where the dollar strengthens against the relevant currency. For a weakening of the Philippine Peso against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative. Note that all other variables are held constant. No changes were made from the previous assumptions and method used.

		Monetary Asset	Monetary Liabilities	Net Effect to Profit	
	Change in assumption	Increase/(Decrease) in assumption	(Increase)/Decrease in assumption	Increase in assumption	Decrease in assumption
2024					
	1.47%/				
PHP	(1.47%)	124,499 / (124,499)	(74,980) / 74,980	49,519	(49,519)
2023					
	1.57%/				
PHP	(1.57%)	244,183 / (244,183)	(83,162) / 83,162	161,021	(161,021)

There are no items affecting equity except for those having impact on profit or loss.

The Company's sensitivity to peso currency has increased during the current year mainly due to the fluctuation on peso exchange rates.

In Management's opinion, the sensitivity analysis is representative of the inherent exchange risk in both years. The Company mitigates its exposure to peso currency risk by monitoring its peso currency cash flows.

20.02.02 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.

Profits for the years ended December 31, 2024 and 2023 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.

20.03 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	Within One (1) Year	Beyond One (1) Year	Total
December 31, 2024				
Accrued expenses and other payables	-	\$ 276,686	\$ -	\$ 276,686
Loans payable	3.95%-10.00%	24,044,065	3,120,419	27,164,484
		\$ 24,320,751	\$ 3,120,419	\$ 27,441,170
December 31, 2023				
Accrued expenses and other payables	-	\$ 400,654	\$ -	\$ 400,654
Loans payable	3.95%-8.00%	11,956,241	21,137,786	33,094,027
	-	\$ 12,356,895	\$ 21,137,786	\$ 33,494,681

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, 2024				
Cash in banks	Floating	\$ 10,883,628	\$ -	\$ 10,883,628
Cash equivalents	3.50%	-	28,681	28,681
Due from related parties	-	144,439,972	-	144,439,972
Miscellaneous deposit	-	-	1,724	1,724
		\$ 155,323,600	\$ 30,405	\$ 155,354,005
December 31, 2023				
Cash in banks	Floating	\$ 15,593,887	\$ -	\$ 15,593,887
Cash equivalents	3.50%	-	2,555,882	2,555,882
Due from related parties	-	143,681,472	-	143,681,472
Miscellaneous deposit	-	-	1,780	1,780
		\$ 159,275,359	\$ 2,557,662	\$ 161,833,021

21. 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 2023.

The capital structure of the Parent Company consists of debt (liabilities as detailed in Notes 9 and 10) and equity of the Parent Company comprising common stock, preferred stock, stock warrants, additional paid-in capital, retained earnings as disclosed in Note 13.

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 debt to equity ratio at end of the reporting period was as follows:

	2024	2023
Debt	\$ 27,596,916	\$ 33,654,284
Equity	216,894,662	217,316,782
Debt to equity ratio	0.13:1	0.15:1

Debt is defined as accrued expenses and other payables, and short-term and long-term loans, as described in Notes 9 and 10, while equity includes all capital and reserves of the Parent Company that are managed as capital.

22. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

	2024	2023
Beginning balance, January 1	\$ 33,492,252	\$ 47,101,968
Changes from financing cash flows		
Dividends declared	11,026,282	10,988,032
Proceeds from loans payable	4,585,583	19,184,048
Finance cost incurred	1,941,425	2,574,703
Unrealized foreign exchange loss (gain)	(83,366)	78,122
Finance cost paid	(2,075,259)	(2,568,080)
Payment of loans	(10,431,760)	(32,751,554)
Cash dividends paid	(11,026,282)	(11,114,987)
Ending balance, December 31	\$ 27,428,875	\$ 33,492,252

23. EVENTS AFTER THE REPORTING PERIOD

23.01 Dividend Declaration

The Board of Directors of TECH, in its regular meeting held on January 20, 2025, approved the following:

Declaration of cash dividends of the following shares:

a. Preferred A Shares (Unlisted)

Declaration of cash dividend of USD 0.000012196 per share for each of the 700,000,000 issued and outstanding Preferred A Shares amounting to an aggregate sum of USD 8,537, for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025. 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 (Unlisted)

Declaration of cash dividend of ₱0.06125 per share for each of the 70,000,000 issued and outstanding Preferred B-1 Shares amounting to an aggregate sum of ₱4,287,500 for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025.

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

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, 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:

- March 10, 2025 to shareholders of record as of February 21, 2025;
- June 9, 2025 to shareholders of record as of May 23, 2025;
- September 8, 2025 shareholders of record as of August 22, 2025; and
- December 9, 2025 shareholders of record as of November 24, 2025.

d. Preferred B-2 Subseries A Shares ("Preferred B-2A shares")

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, 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 10, 2025 to shareholders of record as of February 21, 2025;
- ii. June 9, 2025 to shareholders of record as of May 23, 2025;
- iii. September 8, 2025 shareholders of record as of August 22, 2025; and
- iv. December 9, 2025 shareholders of record as of November 24, 2025.

e. Preferred B-2 Subseries B Shares ("Preferred B-2B shares")

Declaration of cash dividend of USD 0.025 per share for each of the 20,000,000 outstanding and issued Preferred B-2B shares amounting to an aggregate sum of USD 500,000, 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, 2025 to shareholders of record as of March 3, 2025;
- ii. June 18, 2025 to shareholders of record as of June 3, 2025;
- iii. September 18, 2025 shareholders of record as of September 3, 2025; and
- iv. December 18, 2025 shareholders of record as of December 3, 2025.

f. Preferred B-2 Subseries C Shares and Preferred B-2 Subseries D Shares ("Preferred B-2C and Preferred B-2D shares")

Declaration of cash dividend of ₱1.7678125 per share for each of 16,936,400 outstanding and issued Preferred B-2 Subseries C Shares amounting to an aggregate sum of ₱29,940,380 and declaration of cash dividend of ₱0.968825 per share for each of the 28,625,500 outstanding and issued Preferred B-2 Subseries D Shares amounting to an aggregate sum of ₱27,733,100, 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 14, 2025 to shareholders of record as of February 27, 2025;
- ii. June 16, 2025 to shareholders of record as of May 30, 2025;
- iii. September 15, 2025 shareholders of record as of August 30, 2025; and
- iv. December 15, 2025 shareholders of record as of November 28, 2025.

23.02 Suspension of Payment of Dividends

In relation to the previous resolutions of the Board of Directors of TECH last January 20, 2025 approving the declaration of cash dividends for all the preferred shares of the Corporation, specifically Preferred A Shares (Unlisted), Preferred B-1 Shares (Unlisted), Preferred B-2 Subseries A Shares ("TCB2A"), Preferred B-2 Subseries B Shares ("TCB2B"), Preferred B-2 Subseries C Shares ("TCB2C"), and Preferred B-2 Subseries D Shares ("TCB2D") (collectively herein referred to as the "Preferred Shares"), to be distributed on their respective distribution dates in accordance with its respective Prospectuses, the Board of Directors of TECH, in its special meeting held on March 7, 2025, upon recommendation of management, approved the suspension of payment of the declared cash dividends until further notice for all TECH's Preferred Shares as part of the Company's strategy to manage liquidity and to preserve its resources to ensure long-term sustainability of its business.

Nonetheless, the Corporation maintains its commitment to fulfilling its obligations to pay its shareholders in accordance with the terms set out in the Prospectuses of the shares. This includes payment of all dividends due on all Preferred Shares of the Corporation, and payment of all arrears of dividends outstanding by reason of the suspension, on future dates to be set by the Corporation.

23.03 Advances from Parent

The Board of Directors of TECH, in its special meeting held on April 14, 2025, approved the advances of \$2,000,000 from Camerton, Inc. These advances will be used to partially pay off the maturing loan of the Group.

24. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

These separate financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2025.

25. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

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:

25.01 Revenue Regulations No. 15-2010

25.01.01 Taxes and Licenses Paid or Accrued

The details of the Parent Company's taxes and licenses fees paid or accrued in 2024 are as follows:

25.01.01.01 Documentary Stamp Tax

Details of documentary stamp tax are as follows:

	Amount of Transaction		DST	
			In USD	In PHP
Loans (Dollar transactions)	\$ 6,228,038	\$	109,130	P 6,287,844

25.01.01.02 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	\$	667	P	38,620
Business permits		442		24,914
Others		7,098		406,795
	\$	8,207	P	470,329

25.01.01.03 Withholding Taxes

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

			In USD	In PHP
Final withholding tax	\$	881,177	P	41,154,785
Expanded withholding taxes		9,348		479,462
	\$	890,525	P	41,634,247

25.02 Revenue Regulations No. 15-2010

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:

25.02.01 Taxable income

Taxable income pertains to gain on disposal of transportation equipment which amounted to \$22,423 or ₱1,320,000.

25.02.02 Itemized Deductions

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

	In USD		In PHP	
Finance costs	\$	1,925,623	₱	111,514,570
Professional fees		180,383		10,421,407
Taxes, permit and licenses		117,337		6,758,173
Representation and entertainment		50,032		2,880,312
Service fee		26,330		1,495,255
Director's fee		7,774		446,316
Advertising expense		1,292		75,764
Miscellaneous		13,550		783,121
Realized foreign exchange loss		-		17,233,666
	\$	2,322,321	₱	151,608,584

25.03 Revenue Regulations No. 34-2020

Revenue Regulations (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is covered the requirements and procedures for related transactions provided in RR No. 34-2020.



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 at December 31, 2024 and 2023 and for each of the three years then ended December 31, 2024 on which we have rendered the attached report dated April 28, 2025.

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

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2023
Valid from January 31, 2023 until January 30, 2026
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period

ROSE ANGELI S. BERNALDO

Partner
CPA Certificate No. 114127
BOA/PRC No. 0300/P-006
Valid until November 19, 2026
SEC Group A Accreditation No. 114127-SEC
Valid until 2027 audit period
BSP Group B Accreditation No. 114127-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-001-2023
Valid from October 20, 2023 until October 19, 2026
Tax Identification No. 211-870-290
PTR No. 10481163
Issued on January 15, 2025 at Makati City

April 28, 2025

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

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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 28, 2025 on the basic separate financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** as of and for the year ended December 31, 2024. 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, 2024, 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 November 19, 2026
SEC Group A Accreditation No. 0300-SEC
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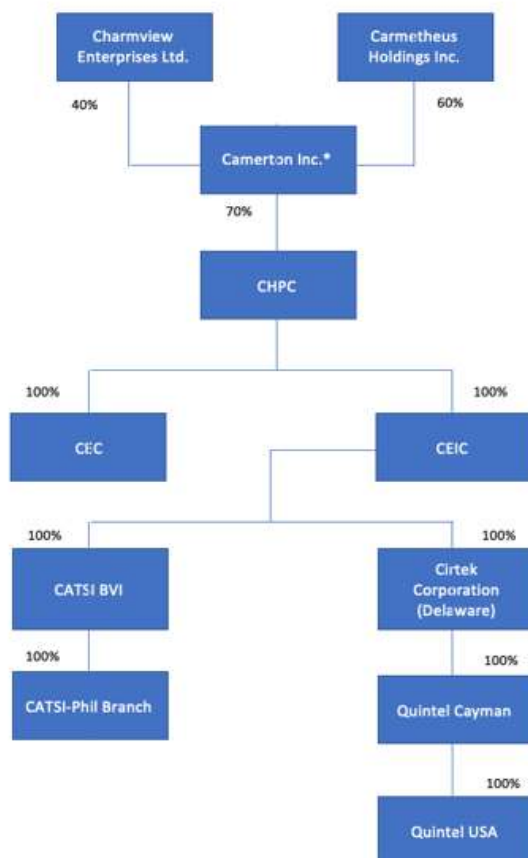
CIRTEK HOLDINGS PHILIPPINES CORPORATION
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
December 31, 2024

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CIRTEK HOLDINGS PHILIPPINES CORPORATION

SCHEDULE I - MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

December 31, 2024



CIRTEK HOLDINGS PHILIPPINES CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)		11,644,796
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements of prior-period adjustments	-	
Others (describe nature)	-	
Sub-total		-
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	11,026,282	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements of prior-period adjustments	-	
Others (describe nature)	-	
Sub-total		11,026,282
Unappropriated Retained Earnings, as adjusted		618,514
Add/Less: <u>Net Income (Loss)</u> for the current year		10,604,162
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(83,366)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		(83,366)
Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		-
Add: <u>Category C.3:</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		-
Adjusted Net Income/Loss		11,306,042
Add: <u>Category D:</u> Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/Less: <u>Category E:</u> Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total		-
Add/Less: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	
Sub-total		-
Total Retained Earnings, end of the reporting period available for dividend		11,306,042

FOOTNOTES

(1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This Reconciliation of Retained Earnings Available for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule A – Financial Assets
December 31, 2024

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
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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, 2024

Account Type		Balance at beginning of period		Additions		Deductions		Current		Balance at end of period
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Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule C - Amounts Receivable from Related Parties which are eliminated
during the consolidation of financial statements
December 31, 2024

Related Parties	Balance at beginning of period	Amount/ Volume	Amounts Collected	Outstanding Balances
Cirtek Electronics International Corporation (CEIC)	\$ 62,237,938	\$ 13,000,000	\$ -	\$ 75,237,938
Cirtek Electronics Corporation (CEC)	40,941,333		10,799,817	30,141,516
CATS- Philippine Brach (CATS-PB)	25,044,829		245,808	24,799,021
Quintel Cayman	15,245,001		1,195,875	14,049,126
RBW Real Property, Inc. (RBWRP)	212,371		-	212,371
	\$ 143,681,472	\$ 13,000,000	12,241,500	\$ 144,439,972

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule D - Intangible Assets - Other Assets
December 31, 2024

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
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Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule E - Long-Term Debt
December 31, 2024

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	40,000,000	\$	18,510,327	\$	-
KEB Hanah Bank Manila	4,499,073		1,434,136		1,120,419
First Commercial Bank	2,000,000		-		2,000,000
		\$	19,944,463	\$	3,120,419

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule F - Indebtedness to Related Parties
(Included in the Consolidated Statements of Financial Position)
December 31, 2024

Name of Related Parties		Balance at beginning of period		Balance at end of period
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Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2024

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
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Nothing to report.

CIRTEK HOLDINGS PHILIPPINES CORPORATION
Schedule H - Capital Stock
December 31, 2024

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 - P1 par value	1,200,000,000	668,505,825	-	110,260,791	9	558,245,025
Preferred shares A, P0.10 par value	700,000,000	700,000,000	-	70,000,000	-	630,000,000
Preferred shares B-1, P1.00 par value	70,000,000	70,000,000	-	70,000,000	-	-
Preferred shares B-2, P1.00 par value	430,000,000	132,561,900	-	-	-	132,561,900
	2,400,000,000	1,571,067,725	-	250,260,791	9	1,320,806,925

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2024 and 2023

	2024	2023
A. SHORT-TERM LIQUIDITY RATIO		
CURRENT RATIO	6.35	12.93
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{155,357,126}{24,476,497}$	$\frac{161,836,614}{12,516,498}$
WORKING CAPITAL TO ASSETS	0.54	0.59
$\frac{(\text{Current Assets} - \text{Current Liabilities})}{\text{Total Assets}}$	$\frac{130,880,629}{244,491,578}$	$\frac{149,320,116}{250,971,066}$
B. LONG-TERM SOLVENCY		
ASSET TO EQUITY	1.13	1.15
$\frac{\text{Total Assets}}{\text{Shareholders' Equity}}$	$\frac{244,491,578}{216,894,662}$	$\frac{250,971,066}{217,316,782}$
DEBT TO EQUITY	0.13	0.15
$\frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$	$\frac{27,596,916}{216,894,662}$	$\frac{33,654,284}{217,316,782}$
LONG-TERM DEBT TO EQUITY	0.11	0.14
$\frac{\text{Long-Term Debt}}{\text{Shareholders' Equity}}$	$\frac{23,064,882}{216,894,662}$	$\frac{29,782,211}{217,316,782}$

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2024 and 2023

	2024	2023
FIXED ASSETS TO EQUITY	-	-
(Fixed Assets - Accumulated Depreciation)	-	-
Shareholders' Equity	216,894,662	217,316,782
CREDITORS EQUITY TO TOTAL ASSETS	0.11	0.13
Total Liabilities	27,596,916	33,654,284
Total Assets	244,491,578	250,971,066
FIXED ASSETS TO LONG-TERM DEBT	-	-
(Fixed Assets - Accumulated Depreciation)	-	-
Long-Term Debt	23,064,882	29,782,211
C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	0.04	0.06
Net Profit	10,604,162	15,134,967
Average Total Assets	247,731,322	255,729,628
RATE OF RETURN ON EQUITY	0.05	0.07
Net Profit	10,604,162	15,134,967
Average Stockholders' Equity	217,105,722	215,243,315

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2024 and 2023

	2024	2023
D. PROFITABILITY RATIOS		
GROSS PROFIT RATIO	1.00	1.00
$\frac{\text{Gross Income}}{\text{Revenues}}$	$\frac{13,063,209}{13,000,000}$	$\frac{17,985,643}{17,900,000}$
OPERATING INCOME TO REVENUES	0.82	0.85
$\frac{\text{Income from Operations}}{\text{Revenues}}$	$\frac{10,604,162}{13,000,000}$	$\frac{15,134,967}{17,900,000}$
PRETAX INCOME TO REVENUES	0.82	0.85
$\frac{\text{Pretax Profit}}{\text{Revenues}}$	$\frac{10,604,617}{13,000,000}$	$\frac{15,139,376}{17,900,000}$
NET INCOME TO COMMISSION INCOME	0.82	0.85
$\frac{\text{Net Income}}{\text{Revenues}}$	$\frac{10,604,162}{13,000,000}$	$\frac{15,134,967}{17,900,000}$
E. INTEREST COVERAGE RATIO		
INTEREST COVERAGE RATIO	6	7
$\frac{\text{Earnings Before Interest and Tax}}{\text{Interest Expense}}$	$\frac{12,546,042}{1,941,425}$	$\frac{17,714,079}{2,574,703}$

CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE IV - EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2024	2023
Total Audit Fees (Section 2.1 a)	180,340	80,340
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	40,000	40,000
Total Non-audit Fees (Section 2.1 b)	40,000	40,000
TOTAL AUDIT AND NON-AUDIT FEES	220,340	120,340

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

	2024	2023
Audit fees	2,033,000	1,424,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	2,033,000	1,424,000

Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's standalone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

Section 2.1d: As applicable, disclose any fee dependency situation or (a) the fact that the total fees received by the external auditor/audit firm from the covered company represent, or are likely to represent, more than 15% of the total fees received by the external auditor/audit firm for two consecutive years and (b) the year that this situation first arose, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).