CR03360-2022

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
   Mar 31, 2022
2. SEC Identification Number
   22401
3. BIR Tax Identification No.
   000-491-007
4. Exact name of issuer as specified in its charter
   PRIME MEDIA HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   16TH FLOOR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER), 8741 PASEO DE ROXAS MAKATI CITY
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (632) 8831-4479
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	700,298,616
PREFERRED	14,366,260

11. Are any or all of registrant's securities listed on a Stock Exchange?
    (•) Yes ( ) No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

(•) Yes ( ) No

(b) has been subject to such filing requirements for the past ninety (90) days

(•) Yes ( ) No

Prime Media Holdings, Inc.
PRIM

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2022
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2022	Dec 31, 2021
Current Assets	47,085,922	46,743,192
Total Assets	49,038,031	48,749,680
Current Liabilities	195,179,776	193,899,582
Total Liabilities	195,179,776	193,899,582
Retained Earnings/(Deficit)	-862,356,621	-861,364,778
Stockholders' Equity	-146,141,745	-145,149,902
Stockholders' Equity - Parent	-	-
Book Value per Share	-0.23	0.23

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	563	1,944	563	1,944
Gross Expense	992,406	631,415	992,406	631,415
Non-Operating Income	-	-	-	-
Non-Operating Expense	-	-	-	-
Income/(Loss) Before Tax	-991,843	-629,471	-991,843	-629,471
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	-991,843	-629,471	-991,843	-629,471
Net Income Attributable to Parent Equity Holder	-	-	-	-
Earnings/(Loss) Per Share (Basic)	-0	-0	-0	-0
Earnings/(Loss) Per Share (Diluted)	-0	-0	-0	-0

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	-0	-0
Earnings/(Loss) Per Share (Diluted)	-0	-0

Other Relevant Information
Please see attached SEC Form 17Q

Filed on behalf by:

Name	Reuben Carlo General
Designation	Corporate Secretary

COVER SHEET

2	2	4	0	1					

S.E.C. Registration Number

PRIME MEDIA HOLDINGS, INC.
(formerly First e-Bank Corp.)

(Company's Full Name)

16th Floor BDO Towers
Valero (formerly Citibank
Tower) 8741 Paseo de Roxas
Makati City

(Business Address: No. Street/City/Province)

ROLANDO S. SANTOS	8831-4479
Contact Person	Company Telephone Number

1 2 / 3 1	SEC Form 17-Q (March 31, 2022)	
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,589	nil	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **March 31, 2022**

2. Commission identification number **22401**

3. BIR Tax Identification No. **000-491-007**

4. Exact name of issuer as specified in its charter **PRIME MEDIA HOLDINGS, INC.**

5. Province, country or other jurisdiction of incorporation or organization **PHILIPPINES**

6. Industry Classification Co[ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code
16TH FLOOR BDO TOWERS VALERO (FORMERLY: CITIBANK TOWER), 8741 PASEO DE ROXAS, MAKATI CITY 1227

8. Issuer's telephone number, including area code **8831-4479**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P1 par value	700,298,616
Preferred Stock, P1 par value	14,366,260

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No [ ]

Philippine Stock Exchange **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) Has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited Financial Statements of Prime Media Holdings, Inc. ("Company") as at March 31, 2022 (with comparative audited Statements of Financial Position as at December 31, 2021), and for the three months ended March 31, 2022 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Summary of statements of financial position as at March 31, 2022 and December 31, 2021:

	Unaudited March 31, 2022	Audited December 31, 2021	Increase (decrease)	
			Amount	
	(₱'000)	(₱'000)	(₱'000)	Percentage
Current Assets	**₱47,086**	₱46,743	₱343	0.73%
Noncurrent Assets	**1,952**	2,006	(54)	(2.71%)
Total Assets	**₱49,038**	₱48,750	₱288	0.59%
Current Liabilities	**₱195,180**	₱193,900	₱1,280	0.66%
Capital Deficiency	**(146,142)**	(145,150)	(992)	0.68%
Total Liabilities and Capital Deficiency	**₱49,038**	₱48,750	₱288	0.59%

Summary of unaudited statements of comprehensive income for the three months period ended March 31, 2022 and 2021:

	For three months ended March 31,	
	2022	2021
	(₱'000)	(₱'000)
Revenues	**₱1**	₱2
Expenses	**(992)**	(631)
Loss before tax	**(991)**	(629)
Provision for income tax	–	–
Total comprehensive loss	**(₱991)**	(₱629)

Summary of unaudited statements of cash flows for the three months period ended March 31, 2022 and 2021:

	For three months ended March 31,	
	2022	2021
	(₱'000)	(₱'000)
Cash provided by (used in) operating activities	**₱175**	(₱316)
Increase (decrease) in cash	**175**	(316)
Cash at beginning of period	**7,111**	8,233
Cash at end of period	**₱7,286**	₱7,917

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The Company has no active operations other than the minimal activities connected with the transfer of assets, which are connected to its erstwhile banking operations, to the Philippine Deposit Insurance Corporation (PDIC) and/or the Bangko Sentral ng Pilipinas (BSP). The Company also continues to pursue the cleanup of its books and the settlement of its remaining obligations to pave the way for possible additional capital infusion from, or entry of, third party investors.

FINANCIAL CONDITION AND RESULTS OF OPERATION

Three months ended March 31, 2022 compared with three months ended March 31, 2021

Results of operation for the three months ended March 31, 2022 and 2021 were net loss of ₱0.99 million and ₱0.63 million, respectively. The Company's net loss position is expected considering that it has no active operations yet.

Significant changes in the income statement accounts for the three months ended March 31, 2022 versus the same period last year are as follows:

Income

The Company's interest income for the current period in the amount of ₱563 has dropped by ₱1,381 compared with the same period last year. This represents a decrease of 71.04%.

Expenses

Total expenses during the period amounted to ₱0.99 million, higher by ₱0.36 million compared with the same period last year. This represents an increase of 57.17% compared with same period last year. The movement in expenses is attributable to the following:

a. Director's fees decreased by ₱0.03 million or 66.67% due to the audit committee and executive committee meetings held for the discussion and approval of 2020 financial statements.

b. Taxes and licenses for the period is higher by ₱3,837 or 43.53% compared with the same period last year, in connection with the community tax certificate from 2019.

c. Increase in Outside services of 40.39% or ₱0.03 million is due to payments of storage and service fee incurred last year.

d. Increase in Other expenses of ₱0.03 million or 303.12% primarily due to honorarium paid this period (nil for the same period last year).

e. Professional fees increased by ₱0.40 million compared with the same period last year, primarily due to payment of PSE annual listing fee for 2022.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Company as at March 31, 2022 of ₱49.04 million is lower by ₱0.29 million compared to the balance as at December 31, 2021, representing a decline of 0.59%. The change in Total Assets is attributed to the following:

a. Cash

Cash increased by ₱0.18 million or 2.46%. The increase is mainly attributable to collections from compromise agreement between the Company and Bulaong Enterprises, Inc.

b. Other current assets

Other current assets of ₱4.72 million has increased by ₱0.02 million or 0.48%. Among the factors that contributed to the increase are additions in Input VAT associated with the purchase of goods/services.

c. *Equipment*
Decrease in equipment of ₱0.54 million is attributed to the depreciation recognized for the period. No addition and/or disposal was made during the period.

d. *Accrued expenses and other current liabilities*
The account decreased by ₱0.82 million or 0.45% during the period, due to the additional amounts payable to PDIC.

e. *Capital deficiency*
The increase in capital deficiency of ₱0.99 million is mainly due to net loss during the period.

STATEMENT OF CASH FLOWS

Net cash provided by and used in operating activities for the three months ended March 31, 2022 and 2021 amounted to ₱0.18 million and ₱0.32 million, respectively. Increase in cash for the current period is mainly due to collections from the compromise agreement between the Company and Bulaong Enterprises, Inc. There are no other significant movements in cash.

HORIZONTAL AND VERTICAL ANALYSIS

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)	Increase (Decrease) Amount	Percentage
ASSETS				
Current Assets				
Cash	**₱7,286,062**	₱7,110,931	₱175,131	2.46%
Receivables	**27,397,360**	27,252,360	145,000	0.53%
Due from related parties	**7,681,904**	7,681,904	–	0.00%
Other current assets	**4,720,596**	4,697,997	22,599	0.48%
Total Current Assets	**47,085,922**	46,743,192	342,730	0.73%
Noncurrent Assets				
Investment in a club share	**1,750,000**	1,750,000	–	0.00%
Equipment	**202,109**	256,488	(54,379)	(21.20%)
Total Noncurrent Assets	**1,952,109**	2,006,488	(54,379)	(2.71%)
	₱49,038,031	₱48,749,680	₱288,351	0.59%

LIABILITIES AND CAPITAL DEFICIENCY

Current Liabilities				
Accrued expenses and other current liabilities	**₱180,836,650**	₱180,019,582	₱817,068	0.45%
Due to related parties	**14,343,126**	13,880,000	463,126	3.23%
Total Current Liabilities	**195,179,776**	193,899,582	1,280,194	0.66%
Capital Deficiency				
Capital stock	**714,664,876**	714,664,876	–	0.00%
Deficit	**(862,356,621)**	(861,364,778)	991,843	0.12%
Other comprehensive income	**1,550,000**	1,550,000	–	0.00%
Total Capital Deficiency	**(146,141,745)**	(145,149,902)	991,843	0.68%
	₱49,038,031	₱48,749,680	(₱288,351)	(0.59%)

FINANCIAL INDICATORS

	As of March 31, 2022	As of March 31, 2021
Net loss	**(₱991,843)**	(₱629,471)
Quick assets	**14,248,861**	14,880,105
Current assets	**47,085,922**	53,024,564
Total assets	**49,038,031**	54,525,758
Current liabilities	**195,179,776**	199,346,665
Total liabilities	**195,179,776**	199,346,665
Stockholders' equity	**(146,141,745)**	(144,820,907)
Preferred stock	**14,366,260**	14,366,260
Number of common shares outstanding	**700,298,616**	700,298,616
Number of preferred shares outstanding	**14,366,260**	14,366,260

Current Ratio[1]/	**0.24**	0.27
Debt to Equity Ratio[2]/	**(1.34)**	(1.38)
Asset to Equity Ratio[3]/	**(0.34)**	(0.38)
Return on Assets[4]/	**(0.02)**	(0.01)
Return on Equity[5]/	**0.01**	0.004
Book Value per share	**(0.23) per share**	(0.23) per share
Earnings/Loss per share (basic) trailing 12 months	**(0.003)**	(0.004)

1/ *Current assets divided by current liabilities*
2/ *Total liabilities divided by equity*
3/ *Total assets divided by equity*
4/ *Net income divided by average assets*
5/ *Net income divided by average equity*
Total common stockholder's equity divided
Trailing 12 months Net income/(loss) less dividends paid on preferred stock / weighted ave. no. of common shares outstanding

OTHER INFORMATION

a. There are no known trends, demands, commitments, events or uncertainties that have a material impact on the Company's liquidity.

b. There are no events that will trigger direct or contingent financial obligation that is material to the Company.

c. There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities, or other persons were created during the interim period.

d. There are no material commitments for capital expenditures during the interim period.

e. There are no known trends, events or uncertainties that have or are reasonably expected to have a material impact on net sales/ revenues/ income from continuing operations.

f. There is no significant income or expense that did not arise from the Company's continuing operations.

g. There is no seasonal aspect that had a material effect on the financial condition or results of operation.

PART II - OTHER INFORMATION

The Company may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

a. Current Ratio
   Total Current Assets/ Total Current Liabilities = 0.24

b. Quick Ratio
   Quick asset / Total Current Liabilities = 0.07

Solvency Ratio

a. Debt Ratio
   Total liabilities / Total assets = 3.98

b. Debt to Equity Ratio
   Total liabilities / Shareholder's Equity = (1.34)

Profitability Ratio

a. Return on Equity Ratio
   Net loss / Average shareholder's equity = 0.01

b. Return on Assets
   Net loss / Average Total assets = (0.02)

c. Asset to Equity Ratio:
   Total Assets / Ave. Stockholders' Equity = (0.34)

d. Asset Turnover

   Revenue/Total Assets = 0.00001

e. Book value per share

   Stockholder's equity - preferred stock/No. of common shares outstanding = (0.23)

SIGNATURES

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

Issuer: **PRIME MEDIA HOLDINGS, INC.**

Date: May 20, 2022

By:

Signature: ______________________

ROLANDO S. SANTOS

Title: Treasurer

Signature: ______________________

RALPH JORDAN A. BAJAMONDE

Title: Accountant

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF FINANCIAL POSITION

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash	4	**₱7,286,062**	₱7,110,931
Receivables	5	**27,397,360**	27,252,360
Due from related parties	12	**7,681,904**	7,681,904
Other current assets	6	**4,720,596**	4,697,997
Total Current Assets		**47,085,922**	46,743,192
Noncurrent Assets			
Investment in a club share	7	**1,750,000**	1,750,000
Equipment	8	**202,109**	256,488
Total Noncurrent Assets		**1,952,109**	2,006,488
		₱49,038,031	₱48,749,680
LIABILITY AND CAPITAL DEFICIENCY			
Current Liabilities			
Accrued expenses and other current liabilities	9	**₱180,836,650**	₱180,019,582
Due to related parties	12	**14,343,126**	13,880,000
Total Current Liabilities		**195,179,776**	193,899,582
Capital Deficiency			
Capital stock	10	**714,664,876**	714,664,876
Deficit		**(862,356,621)**	(861,364,778)
Other comprehensive income	7	**1,550,000**	1,550,000
Total Capital Deficiency		**(146,141,745)**	(145,149,902)
		₱49,038,031	₱48,749,680

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three Months Ended March 31,	
		2022	2021
INCOME			
Interest income	4	**₱563**	₱1,944
		1,816	1,944
EXPENSES			
Professional fees		**688,894**	291,461
Insurance		**73,429**	110,310
Depreciation	8	**54,379**	81,569
Outside services		**87,140**	62,071
Directors' fee		**15,000**	45,000
Association dues		**20,166**	22,082
Taxes and licenses		**12,651**	8,814
Others		**40,747**	10,108
		992,406	631,415
NET LOSS		**(₱991,843)**	(₱629,471)
Basic and Diluted Loss Per Share	14	**(0.001)**	(0.001)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Note	Three Months Ended March 31,	
		2022	2021
CAPITAL STOCK	10		
Common stock - ₱1 par value		**₱700,298,616**	₱700,298,616
Preferred stock - ₱1 par value		**14,366,260**	14,366,260
		714,664,876	714,664,876
DEFICIT			
Balance at beginning of period		**(861,364,778)**	(859,656,312)
Net loss		**(991,843)**	(629,471)
Balance at end of period		**(862,356,621)**	(860,285,783)
OTHER COMPREHENSIVE INCOME	7	**1,550,000**	800,000
		(₱146,141,745)	(₱144,820,907)

See accompanying Notes to Financial Statements

PRIME MEDIA HOLDINGS, INC.
(A Subsidiary of RYM Business Management Corp.)

UNAUDITED STATEMENTS OF CASH FLOWS

	Note	Three Months Ended March 31,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱991,843)**	(₱629,471)
Adjustments for:			
Interest income	4	**(563)**	(1,944)
Depreciation	8	**54,379**	81,569
Operating loss before working capital changes		**(938,027)**	(549,846)
Decrease (increase) in:			
Receivables		**(145,000)**	(55,000)
Due from related parties		**–**	(33,654)
Other current assets		**(22,599)**	31,429
Increase in:			
Accrued expenses and other current liabilities		**817,068**	289,329
Due to related parties		**463,126**	–
Net cash generated from (used for) operations		**174,568**	(317,742)
Interest received		**563**	1,944
Net cash provided by (used in) operating activites		**175,131**	(315,798)
NET INCREASE (DECREASE) IN CASH		**175,131**	(315,798)
CASH AT BEGINNING OF PERIOD		**7,110,931**	8,233,104
CASH AT END OF PERIOD	4	**₱7,286,062**	₱7,917,306

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Prime Media Holdings, Inc. (the Company) was originally incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963 as Private Development Corporation of the Philippines.

On July 9, 1964, the Philippine Stock Exchange, Inc. (PSE) approved the public listing of the Company's shares of stock. As at December 31, 2021, there are 663,713,458 Company shares that are publicly listed.

On September 12, 2002, the Company agreed to transfer its assets and liabilities arising from its development bank operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at March 31, 2022 and December 31, 2021, the Company has liabilities amounting to ₱164.9 million and ₱164.3 million, respectively, arising from the MOA which includes estimated transfer taxes and registration fees related to the transfer of assets to BDO and PDIC and other related liabilities (see Note 9).

In October 2003, the SEC approved the amendment of the Company's Articles of incorporation, changing its primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Company was automatically accorded perpetual existence.

On November 24, 2021 the SEC approved the amendment of the Company's Articles of Incorporation covering the following:

- Deletion of all provisions relating to compliance with banking laws; and
- Inclusion of a provision prohibiting foreign ownership

The following amendments of the Company's Articles of Incorporation were also approved by the Board of Directors (BOD) on July 28, 2021 and by the stockholders on October 13, 2021:

- Reclassification of the Preferred Class A and B Shares at ₱1 par value a share, to Common Shares with ₱1 par value share, and deletion of all provisions relating to Preferred Class A and B Shares; and

- Increase in authorized capital stock to ₱7.0 billion divided into 7,000,000 Common Shares at ₱1 par value a share

As at April 12, 2022, the application for the amendment of Articles of Incorporation for the reclassification of Preferred Class A and B Shares has been submitted to the SEC.

The Company is a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines.

The Company's registered office and principal place of business is at 16th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City.

Status of Operations

The Company's current activities comprise mainly of compliance with the MOA by transferring assets related to its previous development bank operations, to BDO and/or PDIC. Thus, the Company continued to incur losses resulting in a capital deficiency of ₱146.1 million and ₱145.1 million as at March 31, 2022 and December 31, 2021, respectively.

RYM, the Company's majority stockholder, continues to provide the necessary financial support to sustain the Company's operations. In order to reduce capital deficiency, the Company allowed certain stockholders to (i) convert preferred stock amounting to ₱34.2 million into common stock in 2016, (ii) convert advances amounting to ₱600.5 million to additional capital in 2014 and (iii) infuse capital aggregating ₱179.0 million in 2014 and 2013. The Company implemented an equity restructuring to offset additional paid-in capital (APIC) of ₱2,114.9 million against deficit which was approved by the SEC on March 23, 2018.

In 2021, the Company carried on with its efforts to pursue transactions that may potentially revitalize the Company, revert to an operating status, and reduce its capital deficiency.

Transaction with New Era Empire Realty Corp.

On March 17, 2021, the Company initially signed a Memorandum of Understanding with New Era Empire Realty Corp. with the objective of working together to revitalize the Company by engaging in new businesses that may include commercial and residential real estate, hospitality; (b) media and entertainment, (c) gaming, Philippine Offshore Gaming Operators (POGO) allied services, and Fintech.

On July 28, 2021, the parties eventually decided to amend the MOU to proceed with a more definite memorandum of agreement to jointly explore businesses in gaming and real estate development.

Transaction with Philippine CollectiveMedia Corporation

On July 30, 2021, the Company likewise entered into a Memorandum of Agreement with the majority stockholders of a mass media entity, Philippine CollectiveMedia Corporation ("PCMC Shareholders"), wherein the PCMC Shareholders shall jointly subscribe to 1,679,966,400 common shares of the Company to be paid in the form of PCMC shares in order to obtain the business, assets and ownership of PCMC. Upon the execution of the transaction, the PCMC Shareholders will jointly gain control and majority ownership of approximately 70% of the Company's outstanding capital stock.

With PCMC's national franchise, the Company may use this as a leverage to provide other content providers an avenue to broadcast their contents, regionally and nationwide, for profit. Aside from venturing into the active business of mass media, the Company likewise intends to sell its remaining assets in order to address the Company's capital deficiency and negative equity, and non-operation status.

On October 13, 2021, the stockholders approved the subscriptions by the major stockholders of PCMC to 1,679,966,400 common shares to be issued out of the proposed increase in authorized capital stock of the Company, in consideration of the assignment and transfer of PCMC shares representing 99.9% of the outstanding capital stock of PCMC.

The parties are currently pursuing actions to meet the closing conditions of the agreement.

Management believes that with these actions taken, the Company can continue as a going concern. Accordingly, the financial statements were prepared on a going concern basis.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies adopted are consistent with those of the previous financial year.

Measurement Bases

The financial statements are presented in Philippine Peso, which is also the Company's functional currency. All amounts represent absolute values unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for investment in a club share which was classified as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Further information about the assumptions made in measuring fair values is included in Notes 7 and 15.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments will replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement will ensure that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarified that an acquirer shall not recognize contingent assets acquired in a business combination. The amendments should be applied prospectively.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* –

The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendments.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Subsidiary as a First-time Adopter* – The amendment permits a subsidiary that becomes a first-time adopter later than its parent and measures its assets and liabilities in accordance with paragraph D16 (a) of PFRS 1 to measure cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date oftransition to PFRS. Earlier application of the amendment is permitted.

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle byissuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, andthe correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

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

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

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

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

As at March 31, 2022 and December 31, 2021, the Company does not have financial assets and liabilities at FVPL.

Financial Assets 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.

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

As at March 31, 2022 and December 31, 2021, the Company's cash, receivables (excluding advances to officers, employees and service providers) and due from related parties are classified under this category.

Financial Assets at FVOCI. Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and are included under "Other comprehensive income" account in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains will be reclassified to retained earnings.

As at March 31, 2022 and December 31, 2021, the Company's investment in a club share of Valley Golf & Country Club is classified under this category.

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

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

As at March 31, 2022 and December 31, 2021, the Company's accrued expenses and other current liabilities (excluding statutory payable) and due to a related party are classified under this category.

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

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

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

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

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control over the asset.

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

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

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

Other Current Assets
This account mainly consists of creditable withholding taxes (CWT), excess of input value-added tax (VAT) over output VAT and prepayments.

CWT. CWT represents the amount withheld by the Company's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at estimated net realizable value.

VAT. Revenues, expenses and assets are generally recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Equipment
Equipment are stated at cost less accumulated depreciation and impairment in value, if any.

The initial cost of equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of equipment. The cost of replacing a component of an item of equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of five (5) years for computer and transportation equipment.

The estimated useful lives and method for depreciation are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or lossis credited to or charged against current operations.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that nonfinancial assetsmay be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount

obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Deficit. Deficit represents the cumulative balance of the Company's results of operations.

Cumulative unrealized gain on fair value changes on investment in a club share. The account comprises of unrealized fair value gain or loss that is not recognized in profit or loss for the year in accordance with PFRS.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at a point in time or over time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue source.

The following specific recognition criteria must also be met before revenue is recognized.

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Recovery of Accounts Written-off. Income from recovery of accounts written-off is recognized when the amount previously written off is collected and actually received.

Rent. Rent income is recognized using the straight-line method over the term of the lease.

Reversal of long-outstanding payables. Reversal of payables pertain to financial obligations arising from transactions that are not expected to be settled as the same is either discharged by the creditor or discontinued or cancelled, and is recognized in the statement of comprehensive income.

Expense Recognition

Expenses constitute cost of administering the business. These costs are expensed upon receipt of goods, utilization of services, or when the expense is incurred.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused MCIT and unused NOLCO can be utilized. Deferred 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, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Basic and Diluted Income (Loss) per Share

The Company computes its basic income (loss) per share by dividing net income (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted income per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There is no such information in 2022, 2021 and 2020 because the Company has no dilutive potential common shares and is in a net loss position.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is as a holding company.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

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

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher ofthe Company's total assets.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation andare discounted to present values using a pre-tax rate that reflects current market assessments of thetime value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

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

Events after the Reporting Date
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year- end events that are non-adjusting are disclosed in the notes to financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based onmanagement's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such 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 bothcurrent and future periods.

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

Assessing the Company's Ability to Continue as a Going Concern. The Company has incurred continuous losses resulting in a capital deficiency of ₱146.1 million and ₱145.1 million as at March 31, 2022 and December 31, 2021, respectively. As discussed in Note 1, the stockholders providecontinuing financial support as the Company continues to explore new business opportunities. Accordingly, the financial statements are prepared on a going concern basis of accounting.

Classifying the Financial Instruments. The Company exercises judgment in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The Company classified its investment in a club share as financial asset at FVOCI (see Note 7).

Accounting for the Lease Commitments - Company as a Lessor. Management exercises judgment in determining whether substantially all the significant risks and benefits of ownership of the assets held for lease are retained by the Company. Lease contracts where the Company retains substantially all the risks and benefits incidental to ownership of the leased item are accounted for as operating leases. Otherwise, these are considered as finance leases.

The Company, as a lessor, has entered into property subleases and transportation equipment lease agreements where it has determined that it retains all the significant risks and benefits of ownership on those properties. As such, the lease agreements are accounted for as operating leases. The lease agreement is outstanding from February 8, 2018 to 2019.

Rent income amounted to ₱0.8 million in 2019. No rent income was recognized in 2022, 2021 and 2020. (see Note 12).

Evaluating the Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

Estimates and Assumptions

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

Estimating the Liabilities Related to Previous Development Bank Operations. The estimated liabilities related to previous development bank operations of the Company is based on the management's best estimate of the amount expected to be incurred to settle the obligation.

Liabilities arising from the MOA amounted to ₱164.9 million and ₱164.3 million as at March 31, 2022 and December 31, 2021, respectively (see Note 9).

Assessing the Expected Credit Losses on Financial Assets at Amortized Cost. The Company applies the simplified approach on its rent receivables and the general approach on all its other financial assets at amortized cost in measuring the expected credit loss. The Company estimates the expected credit loss on its rent receivables using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assessed that cash are deposited with reputable counterparty banks that possess good credit ratings. For related party transactions and other receivables, the Company considered the available liquid assets of the related parties and letter of guarantee from the stockholders.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty and cessation of operations of the debtor.

Impairment loss amounting to ₱5.5 million was recognized in 2021 (see Note 5).

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties amounted to ₱42.1 million and ₱42.0 million as at March 31, 2022 and December 31, 2021, respectively (see Note 4, 5 and 12).

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

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

No impairment losses were recognized in 2022, 2021 and 2020.

The carrying amounts of the Company's nonfinancial assets are as follows:

	Note	**2022**	2021
Advances to officers, employees and service providers	5	**₱214,160**	₱69,160
Other current assets	6	**4,720,596**	4,697,997
Equipment	8	**202,109**	256,488

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred income tax assets can be utilized.

The Company's unrecognized deferred tax assets amounted to ₱13.3 million as at March 31, 2022 and December 31, 2021, respectively. Management believes that there will be no sufficient future taxable profits against which these deferred tax assets can be utilized (see Note 11).

4. Cash

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on hand	**₱4,759**	₱4,759
Cash in banks	**7,281,303**	7,106,172
	₱7,286,062	₱7,110,931

Cash in banks earn interest at prevailing bank deposit rates.

The sources of interest income are as follows:

	Note	**2022**	2021	2020
Cash in banks		**₱563**	₱7,257	₱15,187
Loans receivable	12	–	–	2,600,000
		₱563	₱7,257	₱2,615,187

5. Receivables

This account consists of:

	Note	**March 31, 2022 (Unaudited)**	December 31, 2021 (Audited)
Loans receivable:			
Third parties		**₱62,277,740**	₱62,277,740
Related party	12	**26,000,000**	26,000,000
Interest receivable	12	**5,541,667**	5,541,667
Advances to officers, employees and service providers		**2,340,495**	2,195,495
Rent receivables:			
Related party	12	**1,159,200**	1,159,200
Third parties		**261,932**	261,932
		97,581,034	97,436,034
Less allowance for impairment losses		**70,183,674**	70,183,674
		₱27,397,360	₱27,252,360

Loans receivable from third parties are related to the Company's previous bank operations and are fully provided with allowance for impairment loss.

Loans receivable from a related party is covered by a loan agreement executed in 2019 with Marcventures Mining and Development Corporation (MMDC), a related party under common control. The loan bears fixed interest of 10% per annum and is due and demandable. Management has assessed that interest receivables are impaired as at March 31, 2022. Impairment loss recognized in 2021 amounted to ₱5.5 million. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021 (see Note 12).

Advances to officers, employees and service providers represent unliquidated, noninterest-bearing advances for processing the transfer of title of properties to BDO and PDIC. These are liquidated upon the accomplishment of the purposes for which the advances were granted.

Breakdown of allowance for impairment losses as at March 31, 2022 and December 31, 2021 are as follows:

	Note	**March 31, 2022 (Unaudited)**	December 31, 2021 (Audited)
Loans receivable		**₱62,277,740**	₱62,277,740
Interest receivable	12	**5,541,667**	5,541,667
Advances to officers, employees and service providers		**2,126,335**	2,126,335
Rent receivables		**237,932**	237,932
		₱70,183,674	₱70,183,674

Movements of allowance for impairment loss in 2022 and 2021 are as follows:

	Note	**2022**	2021
Balance as at beginning of year		**₱70,183,674**	₱64,642,007
Impairment	12	–	5,541,667
Balance as at end of year		**₱70,183,674**	₱70,183,674

The Company recovered some accounts written-off in prior years amounting to nil, nil and ₱50,000 in 2022, 2021 and 2020, respectively.

6. Other Current Assets

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
CWT	**₱3,086,300**	₱3,086,300
Net input VAT	**1,306,800**	1,210,773
Prepayments	**327,496**	400,924
	₱4,720,596	₱4,697,997

Prepayments mainly pertain to prepaid insurance and taxes.

7. Investment in a Club Share

The Company's investment consists of a club share in Valley Golf & Country Club. The fair value of the club share is determined by reference to published price quotations in an active market.

Movements in this account are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost	**₱200,000**	₱200,000
Unrealized gain on fair value changes		
Balance at beginning of year	**1,550,000**	800,000
Fair value changes	**–**	750,000
Balance at end of year	**1,550,000**	1,550,000
	₱1,750,000	₱1,750,000

The fair value of the investment in a club share was determined based on the current selling price to third parties which falls under Level 2 of the fair value hierarchy.

8. Equipment

Movements in this account are as follows:

	March 31, 2022 (Unaudited)		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning and end of period	**₱85,800**	**₱1,631,375**	**₱1,717,175**
Accumulated Depreciation			
Balance at beginning of period	**85,800**	**1,374,887**	**1,460,687**
Depreciation	**–**	**54,379**	**54,379**
Balance at end of period	**85,800**	**1,429,266**	**1,515,066**
Carrying Amount	**₱–**	**₱202,109**	**₱202,109**

	December 31, 2021 (Audited)		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning and end of year	₱85,800	₱1,631,375	₱1,717,175
Accumulated Depreciation			
Balance at beginning of year	85,800	1,048,612	1,134,412
Depreciation	–	326,275	326,275
Balance at end of year	85,800	1,374,887	1,460,687
Carrying Amount	₱–	₱256,488	₱256,488

Rent income from the lease of transportation equipment amounted to ₱0.8 million in 2019 (see Note 12).

9. Accrued Expenses and Other Current Liabilities

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Liabilities arising from the MOA	**₱164,904,972**	₱164,304,972
Dividends payable	**10,985,443**	10,985,443
Accrued expenses	**4,920,895**	4,713,640
Statutory payable	**25,340**	15,527
Rental deposits	–	–
Others	–	–
	₱180,836,650	₱180,019,582

Liabilities arising from the MOA pertain mainly to the estimated transfer taxes and registration fees as needed to transfer of assets from the Company's previous development bank operations to BDO and/or PDIC and other related liabilities, primarily from unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). Additions in liabilities arising from MOA in 2022 and 2021 amounted to ₱0.6 million and ₱2.4 million, respectively. This account also includes provision for probable losses to cover estimated losses from claims. As allowed under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, certain information is not disclosed until final settlement as it might prejudice the Company's position on the matter.

Dividends payable pertain to the Company's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit.

Accrued expenses pertain to accrual of outside services, professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payable is normally settled within the following month.

Rental deposits represent long-outstanding rental deposits that have not been claimed by the Company's previous tenants.

Other current liabilities include statutory payable and refunds of tenants related to the Company's previous operations. These are noninterest-bearing and unsecured. Other current liabilities are normally settled in the next financial year.

On April 12, 2022, the Company's BOD approved the reversals of long-outstanding payables related to rental deposits and other payables amounting to ₱9.2 million.

10. Equity

Movements in this account are as follows:

	March 31, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
Common stock - ₱1 par value				
Authorized	**3,000,000,000**	**₱3,000,000,000**	3,000,000,000	₱3,000,000,000
Subscribed:				
Balance at beginning and end of period	**700,298,616**	**700,298,616**	700,298,616	700,298,616
Preferred stock - ₱1 par value				
Authorized	**2,000,000,000**	**₱2,000,000,000**	2,000,000,000	₱2,000,000,000
Issued and outstanding:				
Balance at beginning and end of period	**14,366,260**	**14,366,260**	14,366,260	14,366,260
	714,664,876	**₱714,664,876**	714,664,876	₱714,664,876

The preferred stock has the following salient features:

a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.

b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

Under the MOU, the Company shall endeavor, on a best efforts basis, to convert Series "A" Preferred Shares into common shares for listing with the PSE. As discussed in Note 1, in 2021, the BOD and shareholders approved the reclassification of the Preferred Class A and B Shares at ₱1 par value a share, to Common Shares with ₱1 par value share, and deletion of all provisions relating to Preferred Class A and B Shares. As at April 12, 2022, application for the amendment of Articles of Incorporation has been submitted to the SEC.

As at March 31, 2022 and December 31, 2021, there is no accrued and unpaid preferential dividend.

11. Income Tax

The provision for current income tax represents MCIT in 2021, 2020 and 2019.

On March 26, 2021, the "Corporate Recovery and Tax Incentives for Enterprise" (CREATE) was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the minimum corporate income tax (MCIT) was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The income tax rates used in preparing the financial statements for 2020, however, are stated at 30% and 2% for RCIT and MCIT, respectively.

The reconciliation of provision for current income tax at the statutory income tax rate to theprovision for current income tax shown in the statements of comprehensive income are as follows:

	2021	2020	2019
Income tax computed at statutory tax rate	**(₱323,355)**	(₱877,087)	(₱276,228)
Changes in unrecognized deferred tax assets	**(7,916,007)**	(7,331,958)	(7,957,729)
Change in statutory income tax rate	**6,972,347**	–	–
Tax effects of:			
Nondeductible expenses	**1,184,833**	300	–
Expired MCIT	**175,322**	8,266,301	8,308,122
Interest income already subjected to final tax	**(1,451)**	(4,556)	(2,805)
	₱91,689	₱53,000	₱71,360

The components of the Company's unrecognized deferred tax assets are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Allowance for impairment losses on receivables	**₱12,928,401**	₱12,928,401
MCIT	**216,049**	216,049
NOLCO	**156,267**	156,267
	₱13,300,717	₱13,300,717

No deferred tax assets were recognized as it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized.

As at March 31, 2022, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2020	₱2,937,811	₱–	(₱2,156,477)	₱781,334	2025
2019	930,109	–	(930,109)	–	2022
2018	1,213,547	–	(1,213,547)	–	2021
	₱5,081,467	₱–	(₱4,300,133)	₱781,334	

September 30, 2020, the BIR issued RR No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan to Recover as One Act), allowing the Company's net operating losses for the taxable years 2020 and 2021 to be carried over for the next five (5) consecutive taxable years immediately following the year of such loss. Consequently, NOLCO incurred in 2020 amounting to ₱2.9 million are allowed as deduction from future taxable income until 2025.

As at March 31, 2022, unused MCIT that can be claimed as deduction from future income tax liability are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2021	₱–	₱91,689	₱–	₱91,689	2024
2020	53,000	–	–	53,000	2023
2019	71,360	–	–	71,360	2022
2018	175,322	–	(175,322)	–	2021
	₱299,682	₱91,689	(₱175,322)	₱216,049	

12. **Related Party Transactions**

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction 2022 (Unaudited)	Amount of Transaction 2021 (Audited)	Outstanding Balance March 31, 2022 (Unaudited)	Outstanding Balance December 31, 2021 (Audited)
Receivables					
Loans Receivables					
Entity under common control	Loan	₱–	₱–	**₱26,000,000**	₱26,000,000
	Interest income	–	–	**5,541,667**	5,541,667
Rent Receivables					
Entity under common control	Rent income	–	–	**1,159,200**	1,159,200
				32,700,867	32,700,867
Less: Allowance for impairment loss		–	5,541,667	**5,541,667**	5,541,667
				₱27,159,200	₱27,159,200
Due from related parties					
Entities under common control	Advances	₱–	(₱91,724)	**₱7,681,904**	₱7,681,904
Due to related parties					
Parent Company	Management fee	₱–	₱–	**₱13,880,000**	₱13,880,000
				₱13,880,000	₱13,880,000

The Company has no material and/or significant transactions with its related parties in 2022 and 2021.

Terms and Conditions of Transactions with Related Parties

Loans Receivable
In 2018, the Company entered into an unsecured loan agreement with MMDC at 10% interest a year. As at March 31, 2022, the loans receivable are due and demandable.

Management has assessed that interest receivables are impaired as at March 31, 2022. Impairment loss is recognized in 2021 for the waived interest receivable that amounted to ₱5.5 million. No interest income was recognized in 2021. On April 12, 2022, the Company's BOD approved to waive the interest from MMDC as at December 31, 2021.

Rent Receivables
On February 8, 2018, the Company entered into an operating lease agreement with MMDC for the lease of a transportation equipment until October 7, 2019 (see Note 8). As at March 31, 2022, the rent receivable is due and demandable. Rent income recognized amounted to ₱0.8 million in 2019.

Due to and from Related Parties
Outstanding balances are unsecured, noninterest-bearing, collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the amounts due from related parties as

at March 31, 2022 and December 31, 2021. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operates.

Compensation of Key Management Personnel
The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

13. Commitments and Contingencies

a. In the normal course of its prior operations, the Company has outstanding commitments, pending litigations and contingent liabilities which are not reflected in the financial statements. Management believes that the ultimate outcome of these matters will not have a material impact in the financial statements.

b. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company and BDO and PDIC, the Company agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of the MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Company until these are assumed by BDO.

c. The Company has accounted for separately, assets from its development bank operations pursuant to the MOA. It is still in possession of titles of certain real estate properties from its development bank operations with an aggregate value of ₱499.1 million as at March 31, 2022 and December 31, 2021. Moreover, the Company has cash of ₱13.9 million as at March 31, 2022 and December 31, 2021 arising from the proceeds of the sale of one of the properties.

14. Earnings Per Share (EPS)

The basic and diluted loss per share is computed as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Net loss	**(₱991,843)**	(₱1,708,466)
Less dividend rights of preferred stockholders for the period	**1,581,671**	1,581,671
Loss attributable to common stockholders	**(2,573,514)**	(3,290,137)
Divided by weighted average number of common stock	**700,298,616**	700,298,616
Basic/diluted loss per share	**(₱0.004)**	(₱0.005)

The convertible feature of the Company's preferred stock has potential antidilutive effect. The Company has no diluted income per share in 2022, 2021 and 2020 because the Company is in a net loss position.

15. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), due from related parties, investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The BOD reviews and approves policies for managing the risks.

Credit Risk

Credit risk is the risk of loss that may arise from outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and due from related parties and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The aging analyses of financial assets as at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022 (Unaudited)				
	Neither Past Due Nor Impaired	**Past Due But Not Impaired**		**Past Due and Impaired**	**Total**
		Less Than 30 Days	**31-60 Days**		
Financial Assets at Amortized Cost					
Cash in banks	**₱7,281,303**	**₱–**	**₱–**	**₱–**	**₱7,281,303**
Receivables*	**27,183,200**	**–**	**–**	**68,057,339**	**95,240,539**
Due from related parties	**7,681,904**	**–**	**–**	**–**	**7,681,904**
	42,146,407	**–**	**–**	**68,057,339**	**110,203,746**
Financial Assets at FVOCI					
Investment in a club share	**1,750,000**	**–**	**–**	**–**	**1,750,000**
	₱43,896,407	**₱–**	**₱–**	**₱68,057,339**	**₱111,953,746**

**Excluding advances to officers, employees and service providers amounting to ₱2.3 million.*

	December 31, 2021 (Audited)				
	Neither Past Due Nor Impaired	Past Due But Not Impaired		Past Due and Impaired	Total
		Less Than 30 Days	31-60 Days		
Financial Assets at Amortized Cost					
Cash in banks	₱7,106,172	₱–	₱–	₱–	₱7,106,172
Receivables*	27,183,200	–	–	68,057,339	95,240,539
Due from related parties	7,681,904	–	–	–	7,681,904
	41,971,276	–	–	68,057,339	110,028,615
Financial Assets at FVOCI					
Investment in a club share	1,750,000	–	–	–	1,750,000
	₱43,721,276	₱–	₱–	₱68,057,339	₱111,778,615

**Excluding advances to officers, employees and service providers amounting to ₱2.2 million.*

Credit Quality of Financial Assets. The credit quality of the Company's financial assets are being managed by using internal credit ratings such as high grade and standard grade.

High grade - pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal.

Standard grade - include financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty.

The Company has assessed the credit quality of financial assets that are neither past due nor impaired as high grade.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

As at March 31, 2022 and December 31, 2021, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party aggregating ₱195.2 million and ₱193.9 million, respectively, are generally due and demandable.

Fair Values

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and the corresponding fair value hierarchy:

	March 31, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱7,286,062**	**₱7,286,062**	₱7,110,931	₱7,110,931
Receivables*	**27,397,360**	**27,397,360**	27,183,200	27,183,200
Due from related parties	**7,681,904**	**7,681,904**	7,681,904	7,681,904
Investment in a club share	**1,750,000**	**1,750,000**	1,750,000	1,750,000
	₱44,115,326	**₱44,115,326**	₱43,726,035	₱43,726,035
Financial Liabilities				
Accrued expenses and other current liabilities**	**₱180,811,310**	**₱180,811,310**	₱180,004,055	₱180,004,055
Due to related parties	**14,343,126**	**14,343,126**	13,880,000	13,880,000
	₱195,154,436	**₱195,154,436**	₱193,884,055	₱193,884,055

**Excluding advances to officers, employees and service providers amounting to ₱2.3 million and 2.2 million as at March 31, 2022 and December 31, 2021, respectively.*

***Excluding statutory payable amounting to ₱25,340 and ₱15,527 as at March 31, 2022 and December 31, 2021, respectively.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), due from related parties and accrued expenses and other current liabilities (excluding statutory payable) and due to a related party approximate their fair values due to the short-term nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs).

Investment in a Club Share. The fair value of this financial asset was determined based on the current selling price to third parties. The fair value measurement of equity securities designated as FVOCI is classified as Level 2 (significant observable inputs).

There has been no transfer between levels of fair value hierarchy as at March 31, 2022 and December 31, 2021.

Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes as at March 31, 2022 and December 31, 2021.