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Company Information

SEC Registration No.: CS201801991
Company Name: JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
Industry Classification: K66290
Company Type: Stock Corporation

Document Information

Document ID: OST10502202482321097
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	8	0	1	9	9	1

COMPANY NAME

JING AN SPECIAL RISKS
INSURANCE AND REINSURANCE
BROKERS INC.

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

UNIT 2203 22/F NAC TOWER 32ND
STREET BONIFACIO GLOBAL CITY
FORT BONIFACIO TAGUIG CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
AAFS	CRM	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
jinganspecialrisk@gmail.com	(632) 8088055	09774881067

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
5	3rd Wednesday of January	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jose Francisco Miranda	bingo.spcci@gmail.com	(632) 88088055	09776409270

CONTACT PERSON's ADDRESS

Unit 2304 NAC Tower 32nd St. BGC, Taguig City

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

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

JING AN SPECIAL RISK INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)

FINANCIAL STATEMENTS
December 31, 2023 and 2022

and

Report of Independent Auditors

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Perez, Sese, Villa and Co., the independent auditor appointed by the stockholders for the years ended December 31, 2023 and 2022, respectively, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

JOSE FRANCISCO E. MIRANDA
Chairman of the Board

JOSE FRANCISCO E. MIRANDA
President

ANTONIO BALMORI
Treasurer

Signed this 8th day of April.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the ____________Philippines, this __________, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8B - SOUTH NCR
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
RECEIVED
APR 30 2024
INITIAL DATE
RCO'S NAME MAUDEN S. RAGUENO

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

To the Board of Directors
JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City
Taguig City

We have audited the financial statements of **JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)** as at December 31, 2023, on which we have rendered the attached report dated April 8, 2024.

In compliance with SRC Rule 68, we are stating that the Company has two (2) shareholders owning one hundred (100) or more shares each of the Company's capital stock as of December 31, 2023, as disclosed in Note 12 of the financial statements.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 1533625, Issued on January 4, 2024, Manila City
SEC Accreditation No:
Partner – 54588-SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
Firm – 0222-SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
BIR Accreditation No. 04-003494-1-2024, issued on March 11, 2024,
valid for three (3) years until March 10, 2027
IC Accreditation No.
Partner -54588-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
Firm -0222-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
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BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
RECEIVED
APR 30 2024
RCO'S NAME MAUDEN S. RAQUENO

Manila, Philippines
April 8, 2024

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

**To the Board of Directors
JING AN SPECIAL RISKS INSURANCE AND
REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK
INSURANCE BROKER INC.)**
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City
Taguig City

We have audited the financial statements of **JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)** for the year ended December 31, 2023 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 8, 2024. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of Reconciliation of Retained Earnings Available for Dividend Declaration and Schedule of Financial Soundness Indicators, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
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BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8B SOUTH NCR
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
RECEIVED
APR 30 2024
INITIAL DATE
RCO'S NAME MAUDEN S. RAQUENO RCO'CODE 230

Manila, Philippines
April 8, 2024

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors
JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City
Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)** (the Company), which comprise the statements of financial position as at December 31, 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2023 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statement, which indicates that the Company incurred a net loss of ₱5,615,713 and ₱2,892,520 during the years ended December 31, 2023 and 2022, respectively and the Company has a deficit of ₱8,458,060 and ₱2,842,347 as of December 31, 2023 and 2022, respectively. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In connection with our audit, we have performed audit procedures to evaluate management's plans and actions as to likelihood of improving the situation and as to feasibility under the circumstances. Accordingly, the Company's financial statements have been prepared assuming that the Company will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

In preparing the financial statements, management is responsible for assessing the 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 either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2023 required by the Bureau of Internal Revenue as disclosed in Note 19 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 1533625, Issued on January 4, 2024, Manila City
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BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8B - SOUTH NCR
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
RECEIVED
APR 30 2024

Manila, Philippines
April 8, 2024

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.

(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	Notes		2023		2022
ASSETS					
Current Assets					
Cash	*4,5,6*	₱	**457,302**	₱	310,117
Trade and other receivables	*4,7*		**78,740**		-
Prepayments and other current assets	*4,8*		**1,982,874**		319,758
Total Current Assets			**2,518,916**		629,875
Non Current Assets					
Office equipment	*4,5,9*		**132,892**		-
Deferred tax assets	*4,5,15*		**2,146,816**		808,294
Total Non Current Assets			**2,279,708**		808,294
TOTAL ASSETS		₱	**4,798,624**	₱	1,438,169
LIABILITIES AND EQUITY					
Current Liabilities					
Payables	*4,5,10*	₱	**133,421**	₱	145,580
Due to related parties	*4,5,16*		**13,068,010**		4,120,096
Other current liabilities	*4,11*		**55,254**		14,840
Total Current Liabilities			**13,256,685**		4,280,516
Equity					
Share capital	*4,12*		**20,000,000**		20,000,000
Accumulated deficits	*4*		**(28,458,060)**		(22,842,347)
(Deficits)			**(8,458,060)**		(2,842,347)
TOTAL LIABILITIES AND EQUITY, net		₱	**4,798,625**	₱	1,438,169

(See accompanying Notes to Financial Statements)

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.

(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2023 and 2022

	Notes	2023	2022
REVENUES	*4, 13*	₱ **1,027,250**	₱ -
OPERATING EXPENSES	*4,14*	**7,966,443**	3,556,771
LOSS FROM OPERATION		**(6,939,193)**	(3,556,771)
INTEREST INCOME	*4,6*	**367**	2,028
NET LOSS BEFORE INCOME TAX		**(6,938,826)**	(3,554,743)
INCOME TAX BENEFITS	*4,15*	**1,323,113**	662,223
NET LOSS FOR THE YEAR		₱ **(5,615,713)**	₱ (2,892,520)

(See accompanying Notes to Financial Statements)

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8B - SOUTH NCR
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
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INITIAL
RCO'S NAME MAUREEN ... AQUENO RCO CODE 230347

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2023 and 2022

	Notes	2023	2022
SHARE CAPITAL	*4,12*		
Balance at beginning of year		**₱ 20,000,000**	₱ 20,000,000
Issuance during the year		**-**	-
Balance at end of year		**20,000,000**	20,000,000
DEFICITS	*4*		
Balance at beginning of year		**(22,842,347)**	(19,949,827)
Net loss for the year		**(5,615,713)**	(2,892,520)
Balance at end of year		**(28,458,060)**	(22,842,347)
NET EQUITY (DEFICIT)		**₱ (8,458,060)**	₱ (2,842,347)

(See accompanying Notes to Financial Statements)

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8B - SOUTH NCR
REVENUE DISTRICT OFFICE NO. 044
TAGUIG/PATEROS
RECEIVED
INITIAL: DATE:
RCO'S NAME: MAUDEN S. RAQUENO RCO CODE: 230347
APR 30 2024

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.

(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax benefit		₱ **(6,938,826)**	₱ (3,554,743)
Adjustment to reconcile net loss to net cash provided by operating activities:			
Depreciation	*4,5,9*	**17,108**	-
Interest income	*4,5,6*	**(367)**	(2,028)
Operating loss before changes in working capital		**(6,922,085)**	(3,556,771)
Changes in operating assets and liabilities:			
Increase in prepayments and other current assets	*4,8*	**(1,757,266)**	(296,721)
Decrease in payables	*4,5,10*	**(12,159)**	22,012
Increase in other current liabilities	*4,11*	**40,414**	
Net cash used in operation		**(8,651,096)**	(3,831,480)
Interest received	*4,5,6*	**367**	2,028
Net cash used in operating activities		**(8,650,729)**	(3,829,452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of office equipment	*4,5,9*	**(150,000)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to related parties	*4,5,16*	**8,947,914**	4,120,096
NET INCREASE IN CASH		**147,185**	290,644
CASH AT THE BEGINNING OF THE YEAR		**310,117**	19,473
CASH AT THE END OF THE YEAR	*4,5,6*	₱ **457,302**	₱ 310,117

(See accompanying Notes to Financial Statements)

NOTE 1 - GENERAL INFORMATION

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.,), (the Company) is a Corporation registered with the Philippine Securities and Exchange Commission under registration number CS201801991 dated March 1, 2018. The Company was establish to engage in insurance business and has a secondary license as insurance brokers that engage in selling, soliciting, negotiating, procuring or marketing insurance products in the Philippines whether domestic or foreign, including but not limited to life or non-life coverage, comprehensive liability insurance and allied risks and/or such other insurance coverage allied with and incidental thereto.

The Company's registered address and place of business is located at Unit 22303 NAC Tower, 32nd Street, Bonifacio Global City, Taguig City

Status of Operation

The Company incurred net losses amounting to ₱5,615,713 and ₱2,892,520 during the years ended December 31, 2023 and 2022, respectively and the Company has a deficit of ₱8,458,060 and ₱2,842,347 as of December 31, 2023 and 2022, respectively. These conditions, among other, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may not be able to realize its asset and discharge its liability in the normal course of business.

In the light of the current financial condition of the Company, the management has expressed its commitment to provide continuing financial support to the Company for its operation until such time that the Company is in good financial condition.

The financial statements had been prepared on a going concern basis which assumes that the Company will continue in existence. The validity of this is dependent on the Company's ability to meet its financing requirements on a continuing basis and the success of its future operations. These financial statements do not include any additional adjustments to reflect the possible future effects on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Approval of the financial statements

The financial statements of the Company for the year ended December 31, 2023 including its comparative figures for the year ended December 31, 2022 have been approved and authorized for issue by the Board of Directors on April 8, 2024.

NOTE 2 - BASIS OF PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in compliance with the *Philippine Financial Reporting Standard (PFRS)* issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the Securities and Exchange Commission (SEC), including SEC provisions. This financial reporting framework includes PFRS. Philippine Accounting Standard (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2023 and 2022 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

They are presented in Philippine Peso which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso.

The financial statements have been prepared on historical cost basis, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

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

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2023.

Unless otherwise indicated, the adoption of the new and amended PFRS did not have any material effect on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - 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 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the 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.

- Amendments to PAS 12, *Income Taxes - 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.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – 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 by issuing its own equity instruments.

- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules* – The amendments provide a mandatory temporary exemption for the accounting of the deferred taxes arising from the implementation of the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules (Pillar Two income taxes). The amendments also introduce the disclosure requirements for the affected entities to enable users of the financial statements understand the extent to which an entity will be affected by the Pillar Two income taxes, particularly before its effectivity date.

<u>New and Amended PFRS and PIC Issuances in Issue But Not Yet Effective or Adopted</u>

Relevant new and amended PFRS and PIC issuances, which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

- *IFRIC Agenda Decision Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) for the Real Estate Industry* – In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of International Financial Reporting Standards 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.
  On December 15, 2020, the SEC issued SEC MC No. 34, Series of 2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the real estate industry until December 31, 2023.

- PIC Q&A 2018-12-D, *PFRS 15, Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-4)* – On December 15, 2020, the SEC issued SEC MC No. 34-2020 providing relief to the real estate industry by deferring the application of "assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (with an addendum in PIC Q&A 2020-04)" until December 31, 2023.

- PIC Q&A 2018-12-E, *Treatment of Land in the Determination of the POC* – The PIC Q&A clarified that the cost of the land should be excluded in measuring the POC of performance obligation and should be accounted for as fulfillment cost.

  On December 15, 2020, the SEC issued SEC MC No. 34-2020 providing relief to the real estate industry by deferring the application of "exclusion of land in calculation of POC as discussed in PIC Q&A 2018-12-E" until December 31, 2023.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2025:

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

- PFRS 17, *Insurance Contracts*– This standard will replace PFRS 4, *Insurance Contracts.* It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was issued to (i) reduce costs of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

  In response to the challenges brought by the COVID-19 pandemic, the Insurance Commission issued Circular Letter 2020-062, *Amendment of Section 1 of Circular Letter No. 2018-69, Deferral of IFRS 17 Implementation,* which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS 17 for annual periods beginning on or after January 1, 2025.

- Amendment to PFRS 17, *Insurance Contracts - Initial Application of PFRS 17 and PFRS 9 - Comparative information*– The amendment adds a transition option for a "classification overlay" to address temporary accounting mismatches between financial assets and insurance contract liabilities relating to comparative information presented on the initial application of PFRS 17. If an entity elects to apply the classification overlay, it can only do so for comparative periods to which it applies PFRS 17. No amendments have been made to the transition requirements of PFRS 9.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS and PIC issuances 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.

NOTE 4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These accounting policies information are considered material because of its amounts, nature and related amounts. These are material in understanding material information in the financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

Initial recognition and measurement

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification

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

Financial Assets and Liabilities at FVPL

Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL.

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Company may, at initial recognition, designate a financial asset or financial liability meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As at December 31, 2023 and 2022, the Company does not have financial assets or liabilities classified as FVPL.

Financial Assets at Amortized Cost

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses, 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.

As at December 31, 2023 and 2022, the Company's cash , trade and other receivables and security deposit account is classified under this category (Notes 6, 7 and 8).

Financial Assets at FVOCI

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.
After initial recognition, financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in OCI.

Interest income on debt instruments is calculated using the effective interest method while credit losses on debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2023 and 2022, the Company does not have financial assets classified as FVOCI.

Financial Liabilities at Amortized Cost

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

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

As at December 31, 2023 and 2022, the Company's payables and due to related parties accounts are classified under this category (Notes 10 and 16).

Reclassification

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

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

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

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI shall be recognize in profit or loss.

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

Impairment of Financial Assets

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

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

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 when:

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

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount 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 intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Prepayments and Other Current Asset

Prepayments represent advance payments for Company expenses which the Company expects to consume within one year from the reporting dates. Other current assets include prepaid income tax and VAT input. Prepayments and other current assets are stated in the statements of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.
If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Impairment of Non- Financial Assets

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

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

Share Capital

Share capital represents the total par value of the ordinary shares issued.

Equity instruments are measured at the fair value of the cash or other consideration received or receivable, net of the direct costs of issuing the equity instruments.

The difference between the consideration received and the par value of the shares issued is credited to share premium.

Retained Earnings

Retained earnings include income earned in current and prior periods net of any dividend declaration, effects of changes in accounting policy and prior period adjustments.

Accumulated deficits

Accumulated deficits represent accumulated losses incurred by the Company. It includes effect of changes in accounting policy as may be required by the standard's transitional provisions and effect of correction of prior period errors.

Revenue

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of consideration received or receivable excluding discounts, returns and sales taxes. Revenue is recognized either at a point in time or over a period of time.

Commission Income

Revenue is recognized at a point in time which coincide with the policy's effectivity date, at which point control over the services provided by the Company has transferred to the client and the client has accepted the services.

Other income

Income from other sources is recognized when earned during the period.

Interest income

Interest income represent income on bank deposits. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

Expenses

Expenses are decreases in economic benefits in the form of decreases in assets or increased in liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Direct Costs

Direct costs are recognized in profit or loss in the period the related services are performed.

Operating expenses

This account are costs attributes to administrative, marketing, and other business activities of the Company which includes professional fees, depreciation expense, association, utilities and other costs that cannot be associated directly to the services rendered.

Income Tax

Income tax expense includes current tax expense and deferred tax expense. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any net operating loss carry over (NOLCO) or excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and the Company can demonstrate without undue cost and effort that is plans to either settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period. The net carrying amount of deferred tax asset is reviewed at each reporting date and any adjustments are recognized in profit or loss.

Employee Benefits

Short-term benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th month pay, employer share contributions and other de minimis benefits, among others.

These are recognized as expenses in the period the employees render services to the Company.

Retirement Benefits

The Company does not have a formal retirement benefit plan. No actuarial computation was obtained during the year because the amount of the provision for retirement benefits will not materially affect the fair presentation of the financial statements considering that the Company is note covered by RA7641 because the Company has only few employees.

Related Parties

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its major shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for a consideration.

Determination as to whether a contract is, or contains, a lease is made at the inception of the lease. Accordingly, the Company assesses whether the contract meets three key evaluations which are:

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

Company as Lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed), variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability is increased for interest incurred and reduced for lease payments made.

The right-of-use asset is initially measured at the amount of lease liability adjusted for any initial direct costs incurred by the lessee, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

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

Provisions and contingencies

Provisions are recognized only when the Company has a present obligation as a result of past event and it is probable that the Company will be required to transfer economic benefits in settlement; and the amount of provision can be estimated reliably.

Contingent assets and liabilities are not recognized in the financial statements.

Changes in accounting policies, change in accounting estimates and correction of prior period errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

Changes in accounting estimates is recognized prospectively by reflecting it in the profit and loss in the period of the change if the change affects that period only or the period of the change and future periods if the change affects both.

Prior period errors are omissions from, and misstatements in, the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior periods(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgement and accounting estimates and assumptions used in the financial statements are based upon management evaluation of related facts and circumstances as at reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant difference in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting 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 and in any future periods affected.

The following are the significant judgement, accounting estimates and assumptions by the Company:

Judgment

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

Assessment of Impairment of Nonfinancial Assets

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss on non-financial assets was recognized in the Company's financial statements in either 2023 or 2022.

Estimating useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment. There were no changes in the estimated useful lives of the Company's property and equipment in 2023 and 2022.

Particulars	Useful Lives
Office equipment	3 years

Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2023 and 2022 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 15.

NOTE 6 - CASH

This account consists of:

		2023		2022
Cash on hand	₱	**29,473**	₱	29,473
Cash in banks		**427,829**		280,644
	₱	**457,302**	₱	310,117

Cash in banks generally earns interest at rate based on daily bank deposit rate and are subject to insignificant risk of changes in value. These are unrestricted and available for use in Company's operation. Total interest income from savings deposit reflected in the statements of comprehensive income amounts to ₱367 and ₱2,028 for 2023 and 2022.

NOTE 7 - TRADE AND OTHER RECEIVABLES

This account consists of:

		2023		2022
Accounts receivables	₱	**63,740**	₱	-
Advances to suppliers		**15,000**		-
	₱	**78,740**	₱	-

Accounts receivables includes billed services to customers which are collectible in the succeeding period.

Advances to suppliers pertains to advanced payment to suppliers for services not yet rendered.

NOTE 8 - PREPAYMENT AND OTHER CURRENT ASSETS

This account consists of:

		2023		2022
Security deposits	₱	**1,072,267**	₱	20,083
Input VAT		**765,645**		275,177

Prepaid income tax (Note 15)		**144,219**		5,541
Prepaid expenses		**744**		18,957
	₱	**1,982,875**	₱	319,758

Security deposits represent three (3) months deposits on office and parking rental. This deposit shall be refunded upon termination of service contract.

Input VAT are value added tax on purchases of goods and services, these are creditable to Company's VAT liability.

Prepaid income tax are unused creditable tax for the period that are creditable to the Company's income tax liability.

Prepaid expense pertains to advanced payment of web design which is expected to be consumed within the succeeding 12-month period.

NOTE 9 - OFFICE EQUIPMENT

An analysis in the movement of office equipment follows:

		2023		2022
Cost				
Balance, beginning of the year	₱	-	₱	-
Acquisition		**150,000**		-
Balance, end of the year		**150,000**	₱	-
Accumulated Amortization				
Balance, beginning of the year	₱	-	₱	-
Depreciation		**17,108**		-
Balance, end of the year	₱	**17,108**		-
Carrying amount	₱	**132,892**	₱	-

NOTE 10 - PAYABLES

This account consists of:

		2023		2022
Accrued expenses	₱	**133,421**	₱	140,652
Other payables		-		4,928
	₱	**133,421**	₱	145,580

Accrued expenses are incurred company expenses, not paid as of reporting period.

These payables are usually settled within the succeeding 12-month period.

NOTE 11 - OTHER CURRENT LIABILITES

This account consists of:

		2023		2022
Withholding tax payable	₱	**26,880**	₱	3,173
Statutory liabilities		**28,374**		11,667
	₱	55,254	₱	14,840

Withholding tax payable consist of tax withheld from compensation and from suppliers due for remittance in the succeeding period.

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund.

NOTE 12 - SHARE CAPITAL

The Company is authorized to issue eighty million (80,000,000) shares with a par value of one (₱1) per share. Twenty million pesos (₱20,000,000) were paid for twenty million (20,000,000) shares subscribed. As of December 31, 2023, and 2022, the Company has two (2) shareholders owning 100 or more shares each of the Company's capital stock.

A reconciliation of the outstanding share capital at the beginning and end of year is shown below:

	Shares		Amount
Outstanding 01/01/2022	20,000,000	₱	20,000,000
Issuances	-		-
Reacquisition	-		-
Outstanding 12/31/2022	20,000,000	₱	20,000,000
Issuances	-		-
Reacquisition	-		-
Outstanding 12/31/2023	20,000,000	₱	20,000,000

NOTE 13 - REVENUES

The Company's revenue from commission as insurance brokerage amounts to ₱1,027,250 in 2023.

NOTE 14 - OPERATING EXPENSES

Details of the Company's operating expenses are as follows:

		2023		2022
Rentals	₱	**4,534,965**	₱	1,715,822
Salaries, wages and other benefits		**2,035,918**		915,540
Utilities and communications		**535,690**		267,246
Representation		**323,629**		245,655
Taxes and licenses		**206,054**		133,531
SSS, PHIC, HDMF contributions		**104,208**		26,985
Materials and other supplies		**81,683**		37,986
Professional fees		**34,500**		36,000
Insurance		**24,175**		130,511

Depreciation	**17,108**	-
Repairs and maintenance	**14,353**	18,253
Travel expenses	**13,500**	8,246
Outside services	**3,300**	6,000
Miscellaneous	**37,360**	14,996
	₱ 7,966,443	₱ 3,556,771

NOTE 15 - INCOME TAX

Income tax benefits for the years ended December 31 consists of:

	2023	2022
Current	**₱ 15,409**	₱ -
Deferred	**(1,338,522)**	(662,223)
	₱ (1,323,113)	₱ (662,223)

Reconciliation between statutory tax and effective tax follows:

	2023	2022
Income tax at statutory rate	**₱ (1,387,765)**	₱ (710,949)
Tax effect income subject to final tax	**(73)**	(405)
Tax effect of non-deductible expense	**64,725**	49,131
Effective income tax (benefits)	**₱ (1,323,113)**	₱ (662,223)

Analysis of income tax payable (prepaid income tax) follows:

	2023	2022
Regular Corporate Income Tax:		
Net loss before tax	**₱ (6,938,826)**	₱ (3,554,743)
Permanent Differences:		
Interest income subject to final tax	**(367)**	(2,028)
Non-deductible expenses	**323,629**	245,655
Taxable loss	**(6,615,564)**	(3,311,116)
Tax rate	**20%**	20%
	₱ (1,323,113)	₱ (662,223)
Minimum Corporate Income Tax:		
Taxable gross income	**₱ 1,027,250**	₱ -
Tax rate	**1.5%**	1%
	₱ 15,409	₱ -
Tax due (Higher of RCIT or MCIT)		
Tax due	**₱ 15,409**	₱ -
Prior years excess credits	**(5,541)**	(5,541)
Creditable withholding taxes	**(154,087)**	-
Prepaid income tax (Note 8)	**₱ (144,219)**	₱ (5,541)

Details of DTA follows:

		2023		2022
DTA arising from NOLCO	₱	2,131,407	₱	808,294
DTA arising from MCIT		15,409		-
	₱	2,146,816	₱	808,294

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of NOLCO which can be claimed as deduction from gross income for the next three (3) consecutive taxable years follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2022	₱ 3,311,116	-	-	₱ 3,311,116	2025
2023	6,615,564	-	-	6,615,564	2026
	₱ 9,926,680	₱ -	-	₱ 9,926,680	

Details of NOLCO which can be claimed as deduction from gross income for the next five (5) consecutive taxable years in reference to RR No. 25-2020 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2020	₱ 641,948	-	-	₱ 641,948	2025
2021	88,403	-	-	88,403	2026
	₱ 730,351	₱ -	-	₱ 730,351	

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment. The Minimum Corporate Income Tax (MCIT) was reduced to one percent (1%) on July 1, 2020 until June 30, 2023 pursuant to Revenue Regulation 5-2021. On July 1, 2023, the Minimum Corporate Income Tax (MCIT) was revert back to two percent (2%).

Details of MCIT follows:

Year Incurred	Amount	Applied / Expired	Balance	Date of Expiration
2023	₱ 15,409	₱ -	₱ 15,409	2026

NOTE 16 - RELATED PARTY TRANSACTIONS

These are transactions and arrangements between the Company and its affiliates and the effects of these on the basis determined between the parties are disclosed in these financial statements.

The current intercompany balances are payable on demand and bear no interest unless stated otherwise.

Presented below are the specific relationship amount of transaction, account balances, terms and conditions and the nature of the consideration to be provided in settlement.

2023

Nature of Relationship/ Category	Nature of Transaction	Amount of Current Transaction	Outstanding Balance	Terms	Conditions
Due to:					
Affiliate	Advances	₱8,954,607	₱10,121,703	(1)	(2)
(under common control)	Collection	-			
Major Shareholders	Advances	₱6,693	₱2,946,307	(1)	(2)
	Collection	-			

(1) Non Interest bearing, payable in cash, no schedules repayment terms
(2) Unsecured

2022

Nature of Relationship/ Category	Nature of Transaction	Amount of Current Transaction	Outstanding Balance	Terms	Conditions
Due to:					
Affiliate	Advances	₱ 1,167,096	₱ 1,167,096	(1)	(2)
(under common control)	Collection	-			
Major Shareholders	Advances	₱ 2,953,000	₱ 2,953,000	(1)	(2)
	Collection	-			

Cash Advances

The Company obtains advances from its affiliates and major shareholders to augment its working capital requirement. The advances are noninterest-bearing, unsecured and repayable in cash within 12 months. Outstanding balance of due from related parties are presented in a separate line account in the statements of financial position.

Key Management Personnel Compensation

No key management compensation was paid in 2023 and 2022.

NOTE 17 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest Rate Risk

The Company's exposure to risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2023 and 2022, these amounted to ₱427,829 and ₱280,644, respectively (Note 6). The Company's exposure to changes in interest rates is not significant.

Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from placing deposits with banks.

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties approved in accordance with the Company's credit policy.
The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure is minimal since no default in payments was made by the counterparties.

The credit quality of the financial assets is managed by the Company using the internal credit quality ratings. High grade accounts consist of receivables from debtors with good financial condition and with relatively low defaults.

The tables below show the credit quality per class of financial asset as at December 31, 2023 and 2022.

	2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Sub standard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	**₱427,829**					**₱427,829**
Receivables	**78,740**					**78,740**
	₱506,569					**₱506,569**

**Cash excludes cash on hand.*

	2022					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Sub standard Grade	Past Due but not Impaired	Impaired	Total
Cash in banks	₱280,644					₱280,644

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

Liquidity Risk

The Company's exposure to liquidity risk is minimal. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans. In addition, the Company regularly evaluates its projected and actual cash flows. Fund raising activities may include bank loans.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2023 and 2022 based on contractual undiscounted payments.

	December 31, 2023		
	Within 1 Year	**1 to 3 years**	**Total**
Payables	**₱ 133,421**	**₱ -**	**₱ 133,421**
Due to related parties	**13,068,010**	**-**	**13,068,010**
	₱ 13,201,431	**-**	**₱ 13,201,431**

	December 31, 2022		
	Within 1 Year	1 to 3 years	Total
Payables	₱ 145,580	₱ -	₱ 145,580
Due to related parties	4,120,096	-	4,120,096
	₱ 4,265,676	₱ -	₱ 4,265,676

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Company considers its share capital and accumulated deficits totaling (₱8,458,060) and (₱2,842,347) as at December 31, 2023 and 2022, respectively as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and 2022.

The Company has deficit of ₱8,458,060 and ₱2,842,347 as of December 31, 2023 and 2022. The shareholders and affiliates has extended financial support to the Company for its operation requirement. The Company's policies, objectives and process are focused on generating revenue to provide reasonable return to its shareholders over the long term.

Fair Value Measurement

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

	Note	2023 Carrying Amount	Fair Value: Quoted prices in active markets (Level 1)	Fair Value: Significant observable inputs (Level 2)	Fair Value: Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Cash	**6**	**₱ 427,829**	**-**	**₱ 427,829**	**-**
Receivables	**7**	**78,740**		**78,740**	
		₱ 506,569	**-**	**₱ 506,569**	**-**
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Payables	**10**	**₱ 133,421**	**-**	**₱ 133,421**	**-**
Due to related parties	**16**	**13068,010**	**-**	**13068,010**	**-**
		₱ 13,201,431	**-**	**₱ 13,201,431**	**-**

	Note	2022 Carrying Amount	Fair Value: Quoted prices in active markets (Level 1)	Fair Value: Significant observable inputs (Level 2)	Fair Value: Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Cash	6	₱ 280,644	-	₱ 280,644	-
		₱ 280,644	-	₱ 280,644	-
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Payables	10	₱ 145,580	-	₱ 145,580	-
Due to related parties	16	4,120,096	-	4,120,096	-
		₱ 4,265,676	-	₱ 4,265,676	-

NOTE 18 - RECONCILIATION OF LIABLITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

2023

	Due to related parties
Balance as of January 1, 2023	**₱ 4,120,097**
Cash flow from Financing Activities:	
Additional Borrowing	**8,947,913**
Repayment of Borrowing	**-**
Balance, December 31, 2023	**₱ 13,068,010**

2022

		Due to related parties
Balance as of January 1, 2022	₱	-
Cash flow from Financing Activities:		
Additional Borrowing		4,120,096
Repayment of Borrowing		-
Balance, December 31, 2022	₱	4,120,096

NOTE 19 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE UNDER REVENUE REGULATION NO. 15-2010 AND 19-2011

Presented below and in the succeeding pages is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulation (RR) No. 15-2010 and 34-2020 to disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented below and in the succeeding pages.

(a) Output VAT

In 2023, the Company declared amount output VAT as follows:

		Tax Base		Output VAT
Rendering of service	₱	1,078,761	₱	129,451

(b) Input VAT

The movements in input VAT in 2023 are summarized below.

		Amount
Balance at beginning of year	₱	275,177
Services lodged under other accounts		597,125
Purchase of goods capital goods		17,046
Purchase of goods other than capital goods		5,748
Applied to VAT output		(129,451)
Balance at end of year	₱	765,645

(c) Taxes and Licenses

The details of Taxes and Licenses account (Note 12) are broken down as follows:

		Amount
Municipal licenses and permits	₱	181,800
Documentary stamp tax		23,754
Registration and certification		500
	₱	206,054

(d) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2023 are shown below.

		Amount
Withholding tax at source (expanded)	₱	237,799
Withholding tax on compensation		251,893
	₱	489,692

(e) Tax Assessments

The Company has no pending examination with the Bureau of Internal Revenue as of reporting period.

(f) Related Party Transaction

The Company is covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2023 and 2022

Current Ratio

	2023	2022
Total current assets	₱ 2,518,916	₱ 629,875
Total current liabilities	13,256,685	4,280,516
Current ratio	0.19:1	0.147:1

Quick Ratio

	2023	2022
Total liquid asset	₱ 536,042	₱ 310,117
Total current liabilities	13,256,685	4,280,516
Liquidity ratio	0.04:1	0.072:1

Working Capital to Total Asset

	2023	2022
Working capital	₱ (10,737,769)	₱ (3,650,641)
Total assets	4,798,624	1,438,169
Working capital ratio	-2.238:1	-2.538:1

Solvency Ratio

	2023	2022
Total assets	₱ 4,798,624	₱ 1,438,169
Total liabilities	13,256,685	4,120,096
Solvency ratio	0.362:1	0.349:1

Debt-to-equity Ratio

	2023	2022
Total liabilities	₱ 13,256,685	₱ 4,280,516
Total equity	(8,458,060)	(2,842,347)
Debt-to-equity ratio	-1.567:1	-1.506:1

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2023 and 2022

Asset-to-equity Ratio

		2023		2022
Total assets	₱	4,798,624	₱	1,438,169
Total equity		(8,458,060)		(2,842,347)
Asset to equity ratio		-0.567:1		-0.506:1

Interest Rate Coverage Ratio

		2023		2022
Pre-tax profit (loss) before interest	₱	(6,938,826)	₱	(3,554,743)
Interest expense		-		-
Interest rate ratio		N/A		N/A

Profitability Ratio

		2023		2022
Net profit (loss) after tax	₱	(5,615,713)	₱	(2,892,520)
Total equity		(8,458,060)		(2,842,347)
		0.664:1		1.018:1

a.) Return on asset ratio

		2023		2022
Net income (loss) after tax	₱	(5,615,713)	₱	(2,892,520)
Average assets		3,118,397		813,375
		-1.801:1		-3.556:1

b.) Return on equity ratio

		2023		2022
Net profit (loss) after tax	₱	(5,615,713)	₱	(2,892,520)
Average equity		(5,650,204)		4,094,638
		0.994:1		-0.706:1

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2023 and 2022

c.) Gross Profit Margin Ratio

	2023	2022
Net profit (loss) before tax	₱ (6,938,826)	₱ (3,554,743)
Gross profit	-	-
	N/A	N/A

d.) Profit margin

	2023	2022
Net profit (loss) after tax	₱ (5,615,713)	₱ (2,892,520)
Revenue	-	-
	N/A	N/A

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2023

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City

Unappropriated Retained Earnings, beginning of reporting period			**(₱22,842,347)**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**		
	◦ Reversal of Retained Earnings Appropriation/s	-	
	◦ Effect of restatements or prior-period adjustments	-	
	◦ Others	-	-
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**		
	◦ Dividends declaration during the reporting period	-	
	◦ Retained Earnings appropriated during the reporting period	-	
	◦ Effect of restatements or prior-period adjustments	-	
	◦ Others	-	-
Unappropriated Retained Earnings, as asjusted			**(22,842,347)**
Add/Less: Net Income (Loss) for the current year			**(5,615,713)**
Less:	**Category C.1: 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	-	
	◦ Unrealized fair value adjustment (market-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 retained earnings as a result of certain transactions accounted for under the PFRS	-	
	◦ Sub-total		-
Add:	**Category C.2: 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	-	
	◦ Realized fair value adjustment (market-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 retained earnings as a result of certain transactions accounted for under the PFRS	-	
	◦ Sub-total		-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2023

JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting 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 (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Reversal of previously recorded fair value gain of Investment	-	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total		-
Adjusted Net Income (Loss)		(5,615,713)
Add: Category D: 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: Category E: Adjustments related to relief granted by SEC and BSP		
• Amortization of the effect of reporting relief	-	
• Total amount of reporting relief granted during the year	-	
• Others	-	
• Sub-total		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount 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 of 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	-	
• Sub-total		-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		(28,458,060)

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO ACCOMPANY INCOME TAX RETURN

To the Board of Directors
JING AN SPECIAL RISKS INSURANCE AND REINSURANCE BROKERS INC.
(Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)
Unit 2203 NAC Tower
32nd Street, Bonifacio Global City
Taguig City

We have audited the financial statements of **JING AN SPECIAL RISK INSURANCE BROKER INC. (Formerly: JING AN SPECIAL RISK INSURANCE BROKER INC.)** for the year ended December 31, 2023, on which we have rendered the attached report dated April 8, 2024.

In compliance with Revenue Regulations V-20, we are stating the following:

1. The taxes paid and accrued by the above Company for the year ended December 31, 2023 are shown in the Schedule of Taxes and Licenses.

2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 1533625, Issued on January 4, 2024, Manila City
SEC Accreditation No:
Partner – 54588-SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
Firm – 0222-SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements
BIR Accreditation No. 04-003494-1-202744, issued on March 11, 2024,
valid for three (3) years until March 10, 2027
IC Accreditation No.
Partner -54588-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
Firm -0222-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements
BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 8, 2024