

COVER SHEET

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S E C Registration Number

M	O	N	T	E	M	A	R	I	A		A	S	I	A	,	P	I	L	G	R	I	M	S	,	I	N	C	.	
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(Company's Full Name)

A	L	P	A		H	O	T	E	L	,	T	O	L	E	N	T	I	N	O		R	O	A	D					
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(Business Address : No. Street City / Town / Province)

VICENTE RAFAEL L. ROSALES

Contact Person

8724-3759/8725-7875

Company Telephone Number/s

1	2
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Month

3	1
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Day

Fiscal Year

Definitive Information Statement(20-IS)

FORM TYPE

1	1
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Month

2nd Wed

Day

Annual Meeting

SRC, Secs. 8 & 12

Secondary License Type, If Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

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NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To all stockholders:

The annual stockholders' meeting of **Montemaria Asia Pilgrims, Inc.** will be held on December 05, 2024, Thursday, 11:00 a.m. at Alpa Hotel, Tolention Road, Kumintang Ibaba, Batangas.

The agenda for the meeting is as follows:

1. Call of meeting to order/Proof of Notice and Quorum
2. Approval of minutes of previous stockholders' meeting
3. President's report to the stockholders
4. Approval of audited financial statements as of December 31, 2023
5. Ratification of acts of directors and officers since the previous annual stockholders' meeting
6. Election of directors, including independent directors
7. Election of Officers and Committee Members
8. Appointment of external auditors
9. Other matters
10. Adjournment

Stockholders of record as of the end of the business day of November 12, 2024 will be entitled to notice and to vote at said meeting and any adjournment thereof.

If you will not be able to attend the meeting but would like to be represented thereat, you may send your duly accomplished proxy form to the Office of the Corporate Secretary, 135 J.P. Rizal St., Project 4, Quezon City 1109 no later than November 25, 2024. Validation of proxies will take place on November 29, 2024 at the same address.

Registration for the meeting begins at 10:00 am. To facilitate registration, please bring a valid ID bearing your photograph and signature.

For the Board of Directors:


VICENTE RAFAEL L. ROSALES
Corporate Secretary

PROXY

I, the undersigned stockholder of **MONTEMARIA ASIA PILGRIMS, INC.** (the “Corporation”) do hereby nominate, constitute and appoint:

as my attorney and proxy, to represent me and to vote all the shares registered in my name in the books of the Corporation at the Annual Stockholders’ Meeting on December 05, 2024 and at any adjournment thereof.

The proxy is authorized to vote on the following matters (PLEASE CHECK THE APPROPRIATE BOX):

ITEM	FOR	AGAINST	ABSTAIN
1. Call of meeting to order			
2. Approval of minutes of previous stockholders’ meeting			
3. Approval of audited financial statement as of December 31, 2023			
4. Ratification of acts of directors and officers since previous annual stockholders’ meeting			
5. Election of directors for the ensuing year			
Hermilando I. Mandanas			
Ernesto I. Mandanas, Jr			
Arturo V. Magtibay			
Arnold R.A. Gutierrez			
Iluminado B. Montemayor			
Ma. Isabel B. Bejasa			
Ma. Filomena R. Legaspi-Rosales			
Ricardo C. Leong			
Antonio V.F. Gregorio III			
Rodrigo C. Reyes			
Jackson L. Laureano			
Raul B. De Mesa			
Bernardo M. Villegas – Independent Director			
Omar T. Cruz – Independent Director			
Clarita T. Zarraga – Independent Director			
6. Delegation to the Board of Directors to Appoint the external auditors			
7. Other matters			
	Proxy’s Discretion		Abstain

For all nominees : _____

Withhold authority to vote for all nominees : _____

Withhold authority to vote for: _____

IF NO INSTRUCTIONS ARE INDICATED ON A RETURNED AND DULY SIGNED PROXY, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED FOR THE APPROVAL OF THE ABOVE ITEMS AS PRESENTED. AS FOR OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING, THE SAID SHARES SHALL BE VOTED IN ACCORDANCE WITH THE JUDGMENT OF THE PERSON/S NAMED IN THIS PROXY.

This proxy shall be valid for the Annual Stockholders’ Meeting on the 5th day of December 2024 or any adjournment thereof, until such time that it is withdrawn by the undersigned stockholder by written notice filed with the Corporate Secretary. This proxy may be withdrawn by the person giving it by filing a written notice with the Corporate Secretary or by personally registering with the Committee of Election Inspectors before 5:00 p.m. of the 29th day of November 2024 and by attending the annual stockholders’ meeting.

Signed this _____ 2024 at _____

Printed Name of Stockholder

Signature of Stockholder or Authorized Signatory*

[*N.B.: Partnerships, corporations and associations must attach certified resolutions or extracts thereof designating their Proxy/Representative and authorized signatories.]

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of issuer as specified in its charter: **Montemaria Asia Pilgrims, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification No.: **CS201307234**

5. BIR Tax Identification No.: **008-512-584**

6. Address of principal office: **Alpa Hotel, Tolentino Road** Postal Code: **4200**
Kumintang Ibaba, Batangas City

7. Issuer's telephone number, including area code: **(043)7237701; (02)87250049**

8. Date, time and place of the meeting of security holders:

Date	:	December 05, 2024 (Annual Stockholders' Meeting)
Time	:	11:00 am
Place	:	Alpa Hotel, Tolentino Road, Kumintang Ibaba Batangas

9. Approximate date on which the Information Statement is first to be sent or given to security holders:

November 12, 2024

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **The Management of the Corporation**

Address and Telephone Number: **Alpa Hotel, Tolentino Road, Kumintang Ibaba**
Batangas City
(043) 702-3545/(043)706-4841

11. Securities registered pursuant to Section 8 and 12 of the Code or Sections 4 and 8 of the RSA

7,500 proprietary shares and 30,000 associate shares

Amount of Debt Outstanding as of September 30, 2024: **₱288,427,933**

11. Are any or all of these securities listed on a Stock Exchange? Yes ☐ No ☒

INFORMATION REQUIRED IN INFORMATION STATEMENT

1. Date, Time and Place of Meeting of Security Holders

Date : December 05, 2024 (Annual Stockholders' Meeting)
Time : 11:00 am
Place : Alpa Hotel, Tolentino Road, Kumintanglbaba
Batangas

Mailing address of principal office: Alpa Hotel, Tolentino Road
Kumintang Ibaba, Batangas City 4200

Approximate date on which the Information Statement is first to be sent or given to security holders: November 12, 2024

2. Dissenters' Right of Appraisal

All stockholders have a right to dissent and demand payment of the fair value of their shares in the following instances: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; and (iii) in case of merger or consolidation. At any rate, should any matter be acted upon at the annual stockholders' meeting which may give rise to the right of appraisal, in order that a dissenting stockholder may exercise his appraisal right such dissenting stockholder shall, within thirty (30) days after the annual meeting at which such stockholder voted against the corporate action, make a written demand on the company for the value of his shares. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 84 of the Revised Corporation Code.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the incumbent directors or officers, nominees for such positions, or their associates, have any direct or indirect substantial interest, by security holdings or otherwise, in the matters to be acted upon.

None of the incumbent directors has informed the company in writing that he or she intends to oppose any action to be taken at the meeting.

4. Voting Securities and Principal Holders Thereof

a) Stockholders entitled to vote; record date

Per Article Seventh of the Amended Articles of Incorporation (AOI), the voting rights of holders of associate shares are suspended for a period of five (5) years counting from April 12, 2013, the date of issuance of the Certificate of Incorporation. Therefore, only holders of proprietary shares are entitled to vote on matters for decision at the meeting, with the exception of the amendments to the articles of incorporation and the by-laws and the merger with HIM Management and Associates, Inc. (see 10 and 11 below), on which, per Section 6 of the Revised Corporation Code, holders of associate shares are nevertheless also entitled to vote.

In accordance with the current provisions of Article Seventh of the AOI, all stockholders, whether of proprietary or associate shares, are entitled to one (1) vote for every share.

The record date for the meeting is November 12, 2024. The record date is the cutoff date for determining the names of stockholders who, based on entries recorded in the stock and transfer book, are entitled to notice, and for reckoning the number of shares they can vote at the meeting.

b) Manner of voting

Stockholders may vote in person or by proxy. Stockholders who wish to vote by proxy must have their proxy validated by the Corporate Secretary no later than five (5) calendar days before the

meeting.

In the election of directors, for which only proprietary shareholders may in the meantime vote (see 4a above), stockholders may cumulate their votes. This means that they may cast their total number of votes, computed as the number of their votes multiplied by the number of directors to be elected, in favor of a single candidate, or they may distribute their total number of votes among several candidates.

c) Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of September 30, 2024:

Proprietary Shares--

Name of Record Owner	Address and relationship with Issuer	Name of Beneficial Owner and relationship to the issuer	Citizenship	Proprietary share	Percent of Class
Omnikor Industrial Estate & Realty Center, Inc. ¹	No. 28 N. Domingo St., New Manila, Quezon City -Affiliate	Same as record owner	Filipino	4,659	49.15%
Hedge Integrated Management Group, Inc. (HIMGI) ²	No. 28 N. Domingo St., New Manila, Quezon City - Affiliate	Same as record owner	Filipino	2,178	22.97%
HIM Management & Associates, Inc. ³	No. 28 N. Domingo St., Quezon City - Affiliate	Same as record owner	Filipino	404	4.26%

Associate Shares--

Name of Record Owner	Address and relationship with Issuer	Name of Beneficial Owner and relationship to the issuer	Citizenship	Associate share	Percent of Class
Omnikor Industrial Estate and Realty Center, Inc. ¹	No. 28 N. Domingo St., New Manila, Quezon City -Affiliate	Same as record owner	Filipino	7,319	35.02%
Hedge Integrated Management Group, Inc. (HIMGI) ²	No. 28 N. Domingo St., New Manila, Quezon City - Affiliate	Same as record owner	Filipino	9,990	47.79%
HIM Management & Associates, Inc. ³	No. 28 N. Domingo St., Quezon City - Affiliate	Same as record owner	Filipino	2,343	11.21%
Calatagan Aqua Farms, Inc. ⁴	No. 28 N. Domingo St., Quezon City - Affiliate	Same as record owner	Filipino	1,159	5.54%

¹Omnikor Industrial Estate & Realty Center, Inc. (OMNITOR) has the following directors and officers in common with the company:

NAME	POSITION IN OMNITOR	POSITION IN MAPI
Arturo V. Magtibay	Chairman/President	VP-Facilities
Vicente Rafael L. Rosales	Corporate Secretary	Corporate Secretary
Iluminado B. Montemayor	Director/Treasurer	VP-Internal Audit
Arnold Raymund A. Gutierrez	Director	Chief Operations Officer/EVP

The Board of Directors of OMNITOR decides on the manner in which OMNITOR's votes will be cast and has designated Arturo V. Magtibay, President, Arnold R.A. Gutierrez, Director, Rowena Piad, authorized representative, Hazel Caoc, authorized representative, Marian Tingchuy-Estipona authorized representative, Mary Jane Marasigan Authorized representative, Rico delos Reyes, as representatives for the purpose.

²Hedge Integrated Management Group, Inc. (HIMGI) has the following directors and officers in common with the company:

NAME	POSITION IN HIMGI	POSITION IN MAPI
Arturo V. Magtibay	Chairman/President	VP-Facilities
Arnold Raymond A. Gutierrez	Director	Chief Operations Officer/EVP
Ma. Isabel B. Bejasa	Treasurer	Treasurer
Vicente Rafael L. Rosales	Corporate Secretary	Corporate Secretary

The Board of Directors of HIMGI decides on the manner in which HIMGI's votes will be cast and has designated Arturo V. Magtibay, President, Arnold R.A. Gutierrez, Director, Maria Isabel B. Bejasa, Treasurer, as representative for the purpose.

³HIM Management & Associates, Inc. (HIM Management) has the following directors and officers in common with the company:

NAME	POSITION IN HIM MANAGEMENT	POSITION IN MAPI
Arturo V. Magtibay	Chairman/President	VP-Facilities
Arnold Raymund A. Gutierrez	Director	Chief Operations Officer/EVP
Iluminado B. Montemayor	Treasurer	VP-Internal Audit
Vicente Rafael L. Rosales	Corporate Secretary	Corporate Secretary

The Board of Directors of HIM Management decides on the manner in which HIM Management's votes will be cast and has designated Arturo V. Magtibay, President, Arnold R.A. Gutierrez, Director, as representative for the purpose.

⁴Calatagan Aqua Farms, Inc. (Calatagan) has the following directors and officers in common with the company:

NAME	POSITION IN CALATAGAN	POSITION IN MAPI
Arturo V. Magtibay	Chairman/President	VP-Facilities
Vicente Rafael L. Rosales	Corporate Secretary	Corporate Secretary
Arnold Raymund A. Gutierrez	Director	Chief Operations Officer/EVP
Iluminado B. Montemayor	Treasurer	VP-Internal Audit

The Board of Directors of Calatagan decides on the manner in which Calatagan's votes will be cast and has designated Arturo V. Magtibay, President, s representative for the purpose.

Please note that Calatagan also has proprietary shares but these are not mentioned above since they constitute less than five percent (5%) of the total number of proprietary shares.

Security Ownership of Directors and Management as of September 30, 2024:
Proprietary Shares--

Name of Record Owner	Address and Relationship with Issuer	Citizen-ship	No. of Proprietary Shares	Percent of Class
Hermilando I. Mandanas	#135 JP Rizal St., Project 4, QC - Director/Chairman	Filipino	1	0.01%
Ma.FilomenaR.Legaspi-Rosales	501 NarraBldg.,PasongTamo Ext. - Director	Filipino	1	0.01%
Arturo V. Magtibay	88 Riverside Subdivision, Balintawak, Lipa City - Director/VP-Facilities	Filipino	1	0.01%
Iluminado B. Montemayor	#33 Canberra St., BF Homes III, Parañaque City -Director/VP-Internal Audit	Filipino	1	0.01%
Arnold R.A. Gutierrez	P. Canlapan St., Batangas City - VP-Operations	Filipino	1	0.01%
Ma. Isabel B. Bejasa	78-C Tirona St., Batangas City - Director/Treasurer	Filipino	1	0.01%
Ricardo C. Leong	275 A. Mabini St., Caloocan City- Director	Filipino	1	0.01%
Rodrigo C. Reyes	5664 Amperes St.,Brgy. Palanan,Makati City - Director	Filipino	1	0.01%
Antonio V. F. Gregorio III	12 Jaime St. Carmel 1 Bahay Toro, Quezon City- Director	Filipino	1	0.01%
Raul B. De Mesa	219 Habenaria St., Pacific Village, Alabang, Muntinlupa City - Director	Filipino	1	0.01%
Jackson Laureano	852 Gov. PascualAve.,Potrero,Malabon - Director	Filipino	1	0.01%

Omar T. Cruz	408 CaloSt., Ayala Alabang, Muntinlupa City - Director	Filipino	1	0.01%
Bernardo M. Villegas	119 Aguirre St., Legaspi Village, Makati City - Director	Filipino	1	0.01%
Ernesto I. Mandanas Jr.	Catholic Church, Bauan, Batangas - Director/President	Filipino	1	0.01%
Clarita T. Zarraga	#26 Santan St., Tahanan Vill., Parañaque City-nominee Director	Filipino	1	0.01%
Vicente Rafael L. Rosales	501 Narra Building, Pasong Tamo Extension, Makati City-Corp. Secretary	Filipino	1	0.01%
TOTAL			16	0.16%

Associate Shares--

Name of Record Owner	Address and Relationship with Issuer	Citizen-ship	No. of Associate Shares	Percent of Class
Hermilando I. Mandanas	#135 JP Rizal St., Project 4, QC - Director/Chairman	Filipino	1	0.005%
Ma. Filomena R. Legaspi-Rosales	501 Narra Bldg., Pasong Tamo Ext. - Director	Filipino	1	0.005%
Arturo V. Magtibay	85 Riverside Subdivision, Balintawak, Lipa City - Director/VP-Facilities	Filipino	1	0.005%
Illuminado B. Montemayor	#33 Canberra St., BF Homes III, Parañaque City - Director/VP-Internal Audit	Filipino	1	0.005%
Arnold R.A. Gutierrez	P. Canlapan St., Batangas City - VP-Operations	Filipino	1	0.005%
Ma. Isabel B. Bejasa	78-C Tirona St., Batangas City - Director/Treasurer	Filipino	1	0.005%
Ricardo C. Leong	275 A. Mabini St., Caloocan City- Director	Filipino	1	0.005%
Rodrigo C. Reyes	5664 Amperes St., Brgy. Palanan, Makati City - Director	Filipino	1	0.005%
Antonio V.F. Gregorio III	12 Jaime St. Carmel 1 Bahay Toro, Quezon City- Director	Filipino	1	0.005%
Raul B. De Mesa	219 Habernaria St., Pacific Village, Alabang, Muntinlupa City - Director	Filipino	1	0.005%
Jackson Laureano	852 Gov. Pascual Ave., Potrero, Malabon- Director	Filipino	1	0.005%
Bernardo M. Villegas	119 Aguirre St., Legaspi Vill., Makati City - Director	Filipino	-	-
Clarita T. Zarraga	#26 Santan St., Tahanan Vill., Parañaque City-nominee Director	Filipino	-	-
Omar T. Cruz	408 Calo St., Ayala Alabang, Muntinlupa City - Director	Filipino	-	-
Ernesto I. Mandanas Jr.	Catholic Church, Bauan, Batangas - Director/President	Filipino	-	-
Vicente Rafael L. Rosales	501 Narra Building, Pasong Tamo Extension, Makati City-Corp. Secretary	Filipino	-	-
TOTAL			11	0.05%

All shares are held in direct ownership.

d) Voting Trust Holders of 5% or More

The Company is not aware of any person holding more than 5% of any class of the company's securities under a voting trust or similar agreement.

e) Changes in Control

There is no arrangement which may result in a change of control of the company.

5. Directors and Executive Officers

a) Name, age, position, citizenship and period of service of each incumbent director and executive officer

NAME	AGE	POSITION	CITIZENSHIP	PERIOD OF SERVICE
Hermilando I. Mandanas	80	Director/Chairman	Filipino	2013 to present
Ernesto I. Mandanas, Jr.	77	Director/President	Filipino	2017 to present
Ma. Filomena R. Legaspi-Rosales	69	Director	Filipino	Elected 10-06-2022
Arturo V. Magtibay	75	Director/VP-Facilities	Filipino	2013 to present
Iluminado B. Montemayor	76	Director/VP-Audit	Filipino	2013 to present
Arnold R.A. Gutierrez	55	Director/COO	Filipino	2013 to present
Ma. Isabel B. Bejasa	66	Director/Treasurer	Filipino	2013 to present
Rodrigo C. Reyes	75	Director	Filipino	2017 to present
Raul B. De Mesa	81	Director	Filipino	2014 to present
Jackson L. Laureano	62	Director	Filipino	2019 to present
Bernardo M. Villegas	85	Independent Director	Filipino	2017 to present
Omar T. Cruz	69	Independent Director	Filipino	2019 to present
Clarita T. Zarraga	84	Independent Director	Filipino	Elected 09-01-2023
Ricardo C. Leong	90	Director	Filipino	2020 to present
Antonio V.F. Gregorio III	52	Director	Filipino	2018 to present
Vicente Rafael L. Rosales	40	Corp. Sec.	Filipino	2017 to present

Directors and officers hold office for one (1) year or until their successors shall have been duly elected and qualified. A director elected to fill in a vacancy arising in the Board shall only serve the unexpired portion of the term of his/her predecessor in office.

Fifteen (15) directors, including three (3) independent directors, will be elected during the annual stockholders' meeting.

b) Business experience of incumbent directors and executive officers and of nominees for directors during the past five (5) years

Hermilando I. Mandanas (80 years old, Filipino), is a Director of the company since April 12, 2013 and currently Chairman of MAPI, he is Governor of the Province of Batangas, having previously served in that position for the years 1995 up to 2004. He also served for three terms as 2nd District Representative of the Province of Batangas. He is a Certified Public Accountant and Investment Banker.

Ernesto I. Mandanas, Jr. (77 years old, Filipino), is a Director of the company since 2017 and currently President. He is a Roman Catholic priest of the Archdiocese of Lipa. He also serves as member of the Board of Advisers of Stonyhurst Southville International School and of the Board of Trustees of Bishop Alfredo Ma. Obviar Foundation. He has a doctorate in canon law.

Ma. Filomena R. Legaspi-Rosales (69 years old, Filipino), is a Director of the company since October 6, 2022, Atty. Legaspi-Rosales has decades of experience serving in national and local government agencies, structuring complex real estate transactions, and rendering legal advice. Her legal expertise and relationships in the community have given her multiple opportunities to assist clients in overcoming the challenges of multiple deals. Atty. Legaspi-Rosales' legal practice focuses on real estate; general corporate representations; trusts and estates; regulatory and administrative law. She has worked with the Cagayan Economic Zone Authority, Subic Bay Metropolitan Authority,

Bureau of Food and Drugs, Commission on Human Rights, and many others. She was also the Barangay Captain of Dasmarinas Village, Makati. She has been serving Santuario de San Antonio as a Lector/Commentator for over 25 years. She is the Founding Partner of Legaspi Rosales Law Office as well as the President of the Ateneo Law Alumni Association Inc. and Rafel Realty & Development Corp. Atty. Legaspi-Rosales finished her Bachelor of Laws at the Ateneo Law School.

Raul B. De Mesa (81 years old, Filipino), is a Director of the company since 2014, previously served as President and Chief Executive Officer of Bank of Commerce. He is a distinguished banker with substantial years of experience in the financial industry. Prior to Bank of Commerce he had 37 years of banking experience, having occupied various positions in several banking institutions such as Security Bank, Manila Banking Corporation, Far East Bank & Trust Company. He is also a Director at CAP Life Insurance Corporation.

Arturo V. Magtibay (75 years old, Filipino), is a Director of the company since April 12, 2013 and currently Vice President-Facilities. He was the Provincial Engineer of Batangas from 1996 to 2007. He was also Assistant Professor III and Chairman of the College of Engineering of the University of Batangas. He is a licensed Civil Engineer with a wide experience in construction projects. He obtained his degree of Bachelor of Science in Civil Engineering from the Mapua Institute of Technology. He is the Chairman/President of Omnicor Industrial Estate & Realty Center, Inc., HIM Management & Associates, Inc., Calatagan Aqua Farms, Inc. and Hedge Integrated Management Group, Inc.

Illuminado B. Montemayor (76 years old, Filipino), is a Director of the company since April 12, 2013 and currently Vice President-Internal Audit, is also a member of the Board of Directors of Abacore Capital Holdings, Inc., Philippine Regional Investment Development Corporation and Abacus Global Technovisions, Inc.. He finished BS Commerce at the De La Salle University.

Arnold R.A. Gutierrez (55 years old, Filipino), is a Director of the company since April 12, 2013 and currently Chief Operations Officer/Executive Vice-President, was General Manager of the Batangas Port Livelihood Center from 2004 to 2007. He also served as Executive Assistant to the Provincial Governor of Batangas from 2001 to 2004. He finished his Bachelor of Arts Degree in Political Science at the De La Salle University. He is a director of Omnicor Industrial Estate & Realty Center, Inc. and director/Senior Vice-President for Projects of Abacore Capital Holdings, Inc.

Ma. Isabel B. Bejasa (66 years old, Filipino), is a Director of the company since April 12, 2013 and currently Treasurer, is an incorporator/President of Blue Stock Development Holdings, Inc. (BSDHI), the parent company of AbaGT, and has been a director of BSDHI since 1982. Since 1995 she has also been part of the management team of the Alpa Hotel and Batangan Plaza, two well known hotels located in Batangas City which AbaGT acquired in August 2007. She is the former Treasurer of Omnicor Industrial Estate & Realty Center, Inc., HIM Management & Associates, Inc. and Calatagan Aqua Farms, Inc.

Ricardo C. Leong (90 years old, Filipino), is a Director of the company since 2020. He is a director of Flexo Manufacturing Corporation and Sinophil Corporation and a member of the Advisory Board of Equitable PCI Bank. He obtained his Bachelor of Science Degree in Mathematics from Fordham University, New York.

Rodrigo C. Reyes (75 years old, Filipino), is a Director of the company since 2017, graduated from De La Salle University with a Bachelor of Science Degree in Commerce in 1968. He later graduated from De La Salle for his Master's in Business Administration. He has served as Treasurer for Vicky's Farm House Resort, Inc., Juanico Development, Inc., Rodvic Development, Inc., Romana Development and Management Corp, and Dona Juana Enterprises, Inc.,. He is currently a Director of Philstar Development Bank and serves as a Director of Philippine Regional Investment Development Corporation and Abacus Global Technovisions, Inc.

Antonio V.F. Gregorio III (52 years old, Filipino), is a Director of the company since 2018, has been Chairman and President of various listed companies such as Nihao Mineral Resources, Asia Best Group, Iodestar Investment and Holding Corporation. He graduated, Second Honors, with a Juris Doctor Degree from the Ateneo de Manila University in 1998 and passed the bar examinations in 1999. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts Major in Economics-Honors, both from the Ateneo de Manila University, Honorable Mention and Cum Laude, respectively. He was valedictorian of his high school class in Ateneo. Atty. Gregorio is a

partner of Gregorio Law Offices and sits as director and officer of various private and public companies, including AGP Industrial Corporation, Active Earnings, Inc., among other companies.

Jackson L. Laureano (62 years old, Filipino), is a Director of the company since 2019, serves as Chairman/President of the Fitrite Inc. and Holrite International Corporation from 2008 to present. Mr. Laureano serves also as member of the Board of Director of Ancal Development & Investment Corporation and Holsum Foods, Inc. from 2008 to present.

Bernardo M. Villegas (85 years old, Filipino), is a Director of the company since December 15, 2017, nominee for independent director. He is Senior Vice President of the University of Asia and the Pacific, Educational Consultant of the Parents for Education Foundation Inc. ("PAREF"), and a columnist for the Manila Bulletin. He has been the Chairman of Filipino Fund Inc. since June 2012 and serves as Independent Director of Benguet Corp., Director of Alaska Milk Corp., Bank of the Philippine Islands, Transnational Diversified Inc., Insular Life Assurance Company, Ltd. He was a member of the 1986 Constitutional Commission and is a well-known economist. He obtained his PhD in Economics from Harvard University.

Omar T. Cruz (69 years old, Filipino), is a Director of the company since December 17, 2019, nominee for independent director, serves as Chairman, International Treasury Committee of International Association of Financial Executive Institute from 2015 - 2017. Mr. Cruz serves as Senior Advisor of Prudential Corporation Asia (HK) from 2014 - 2016. He served as EVP and Chief Investment Officer and then President and Chief Executive Officer of BPI Philam Life Assurance Corporation from 2007 to 2011 and 2011 to 2013, respectively. He served as a Director of PHINMA Corporation until November 6, 2013. He served as Director of Union Galvasteel Corporation, Philamlife Company and BPI PhilamLife Assurance Corporation.

Clarita T. Zarraga (84 years old, Filipino), is a Director of the company elected on September 01, 2023, nominee for independent director. She is currently the President of BOSS, Inc., a management services outsourcing company. She previously served as President of Abacore Capital Holdings, Inc. when it was still called Abacus Consolidated Resources and Holdings, Inc. (ACRHI), a position she held until her retirement in 2009. For some years after her retirement from ACRHI she served in the Board of some of ACRHI's related companies, a position she has since relinquished. A Certified Public Accountant and licensed real estate broker, she has extensive experience in management, accounting and real estate business.

Vicente Rafael L. Rosales (40 years old, Filipino), joined in the company since January 30, 2017 as Corporate Secretary, works as a Professor at Lyceum Law School where he teaches Partnership, Agency and Trusts. In 2011-2013, Atty. Rosales was a Delegate to the National Conference for the Revision of the Rules of Civil Procedure working with the Pre-Trial to Trial working Group under Supreme Court Justice Roberto A. Abad. He also worked as a consultant to the Sangguniang Kabataan of Dasmariñas Village, Makati City and was the Sole Philippine Representative to the First United Nations World Youth Assembly for Road Safety at the United Nations, Geneva Switzerland in April of 2007. He is a partner at Legaspi Rosales Law office and a Director and Corporate Secretary of Rafel Realty & Development Corporation. He finished his Juris Doctor at the Ateneo Law School.

c) Other directorships held in reporting companies

Raul B. de Mesa, Arturo V. Magtibay, Rodrigo C. Reyes, Antonio V.F. Gregorio III and Iluminado B. Montemayor are also directors, while Bernardo M. Villegas, Omar T. Cruz and Clarita T. Zarraga are also independent directors, of AbaCore Capital Holdings, Inc.

d) Significant Employees

Other than the officers mentioned above the company has no other significant employees.

e) Family Relationships

Ernesto I. Mandanas is the brother of Hermilando I. Mandanas. Ma. Filomena Legaspi-Rosales is the mother of Vicente Rafael L. Rosales. Apart from this, there are no other family relationships, insofar as known to the company.

f) Involvement in Certain Legal Proceedings

To the best of the company's knowledge, none of the above-named directors and officers has been subject to the following during the past five (5) years:

(a) any bankruptcy petition filed by or against a business of which he or she was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or for that matter any criminal proceeding, domestic or foreign;

(c) any order, judgment or decree not subsequently reversed, suspended or vacated, of a court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities or banking activities; and

(d) any violation, as determined by judgment by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized training market or self-regulatory organization, of a securities or commodities law or regulation.

g) Certain Relationships and Related Transactions

The company's relationships with related parties are as follows:

1. Intercompany advances to and from Omnicor Industrial Estate and Realty Center, Inc., a parent company. These advances are obtained to fund a portion of the development activities of the company.
2. Four (4) corporations who are affiliates of the company are major stockholders.

Aside from the above-mentioned relationships and transactions, the company has had no other transactions in which a director, executive officer, nominee for election as director, significant holder of security, promoter or members of their immediate family has or had a direct or indirect material interest.

h) Parent Company

The corporation has no parent company.

i) Resignation of Directors

There have been no recent resignation of directors in the past year.

j) Nominees for Election as Directors, Including Independent Directors

For the election of directors at the annual stockholders' meeting slated for 05 December 2024 to 2025 Omnicor Industrial Estate and Realty Center, Inc. has nominated the following:

<u>Name</u>	<u>Age</u>	<u>Citizenship</u>	<u>Nominated for</u>
1. Hermilando I. Mandanas	80	Filipino	Director
2. Ernesto I. Mandanas Jr.	77	Filipino	Director
3. Ma. Filomena R. Legaspi-Rosales	69	Filipino	Director
4. Raul B. De Mesa	81	Filipino	Director
5. Antonio V.F. Gregorio III	52	Filipino	Director
6. Arturo V. Magtibay	75	Filipino	Director
7. Omar T. Cruz	69	Filipino	Independent Director
8. Iluminado B. Montemayor	76	Filipino	Director
9. Ma. Isabel B. Bejasa	66	Filipino	Director
10. Ricardo C. Leong	90	Filipino	Director
11. Arnold R.A. Gutierrez	55	Filipino	Director
12. Rodrigo C. Reyes	75	Filipino	Director
13. Jackson L. Laureano	62	Filipino	Director
14. Clarita T. Zarraga	84	Filipino	Independent Director
15. Bernardo M. Villegas	85	Filipino	Independent Director

Please see Part V of the attached “Report Accompanying SEC Form 20-IS” for the qualifications and business experience of the nominees.

In accordance with the company’s amended by-laws and with SRC Rule 38 the ad hoc Nomination Committee has reviewed the background of the above nominees and has determined them to be duly qualified. The nominations for independent director comply with SRC Rule 38. The Nomination Committee is currently composed of the following:

Hermilando I. Mandanas - Chairman
Raul B. De Mesa - Member
Arturo V. Magtibay- Member

The members of the Nomination Committee for the succeeding period will be appointed during the organizational Board meeting that will be held immediately after the annual stockholders’ meeting.

6. Compensation of Directors and Executive Officers

a) Compensation of directors

Directors receive per diems of five thousand pesos (₱5,000) for every Board meeting they attend.

The total per diems paid to directors for 2023 and 2022 and the estimated total amount for 2024 are as follows:

2022	154,386.00
2023	325,439.00
2024	242,690.00

b) Compensation of executive officers

Name and Principal Position	Year	Salary/Fee (PhP)	Bonus (PhP)	Other Annual Compensation (PhP)
Hermilando I. Mandanas, Chairman Ernesto I. Mandanas Jr., President Arturo V. Magtibay, VP-Facilities Illuminado B. Montemayor, VP-InternalAudit Arnold R.A. Gutierrez, COO/EVP Ma. Isabel B. Bejasa, Treasurer Vicente Rafael L. Rosales, Corp. Sec.				
Total for the Executive Officers as a group	2022	292,737		
	2023	379,876		
	2024 ¹	787,914		
Total for the Directors and Executive Officers as a group	2022	449,123		
	2023	705,325		
	2024 ¹	1,036,160		

¹2024 figures are estimates only

Each executive officer has an employment contract with the company for an indefinite period. The company has no termination of employment or change-in-control arrangements with its executive officers apart from those specified by labor and retirement laws.

c) Standard arrangement/s

As stated above, the company currently has no contracts or arrangements with its directors and executive officers. Employees, on the other hand, execute an employment contract with the company for an indefinite period.

d) Material terms of any other arrangement

The company has no other arrangement with its directors or officers that could be considered material.

e) Terms and conditions of employment contract, compensatory plan or arrangement, outstanding warrants or option.

The company has no employment contracts, compensatory plans or arrangements with its directors and officers. There are no outstanding warrants or options held by the company's directors and/or executive officers.

7. Independent Public Accountant

For fiscal year 2024, the Audit Committee has recommended the appointment of Valdes Abad & Company CPAs as the company's independent accountant, with Renato M. Cabral as partner in charge, on condition that the appointment of the independent accountant should comply with SRC Rule 68 Part 1(3)(B)(ix) on the rotation of external auditors.

Valdes Abad & Company, CPAs, was appointed as the company's independent accountant for fiscal year 2023. Duly authorized representatives of Valdes Abad & Company, CPAs, are expected to be present at the annual meeting of stockholders. They will be available to answer questions.

Valdes Abad & Company, CPAs audited the Company's statement of financial position as of December 31, 2023, and the statement of comprehensive income, statement of changes in stockholders' equity and statement of cash flows for the year ended December 31, 2023 and a summary of significant accounting policies and other explanatory notes. Valdes Abad & Company, CPAs, responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing. The signing partner of the Company's external auditor was Mr. Renato M. Cabral.

The Audit Committee is as follows:

Omar T. Cruz - Chairman
Iluminado B. Montemayor - Member
Arturo V. Magtibay- Member

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The company has not had any disagreements with Valdes Abad & Company, CPAs, on matters of accounting principles or practices, financial statements disclosure or auditing scope or procedure.

8. Compensation Plans

No action with respect to any plan pursuant to which cash or non-cash compensation will be paid or distributed will be proposed during the meeting.

9. Action With Respect to Reports

The Audited Financial Statements as of December 31, 2023 will be presented for approval at the annual stockholders' meeting.

The President shall report on the company's operations for the period covering start of fiscal year 2023 to the present. The said report will be presented for information and notation only.

10. Amendment of Charter, By-laws or other Documents

No action will be taken with respect to any amendment to the Corporation's Articles of Incorporation or by laws.

11. Other Proposed Actions

- a) Approval of minutes of previous stockholders' meeting
- b) Approval of audited financial statement as of December 31, 2023

- c) Ratification of acts and directors and officers since the previous annual stockholders' meeting
These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of the company's business and include the following:
 - election of officers for 2023-24
 - appointment of members of the Nomination, Audit and Remuneration and Compensation committees of the Board for 2023-24
- d) Updating of bank account information and designation of signatories thereof for fiscal year 2025
- e) Election of directors, including independent directors
- f) Appointment of external auditors
- g) Other matters -No other matters aside from those already mentioned above will be taken up.

12. Voting Procedures

In the election of directors, the nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the meeting shall be instructed to cast all votes represented at the meeting equally in favor of all such nominees. On the other hand, if the number of nominees for election as directors exceeds the number of directors to be elected, voting shall be done by ballot, cumulative voting will be followed, and counting of votes shall be done by the Committee of Election Inspectors.

The amendment of the articles of Incorporation shall require the approval of stockholders representing at least two-thirds (2/3) of the outstanding capital stock. The amendment of the by-laws shall require the approval of stockholders owning at least a majority of the outstanding capital stock. All other matters shall require the approval by majority of the shares of stockholders voting in person or by proxy at the meeting.

A stockholder is entitled to cumulative voting in the election of Directors. This means that a stockholders may cumulate the total votes that the number of his shares, multiplied by the number of directors to be elected shall equal and either give such total votes to one candidate or distribute such total votes to as many candidates as he sees fit.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Quezon City on 21 October 2024

MONTEMARIA ASIA PILGRIMS, INC.

By:


VICENTE RAFAEL L. ROSALES
Corporate Secretary

REPORT ACCOMPANYING SEC FORM 20-IS
(Per SRC Rule 20)

I. Audited Financial Statements as of December 31, 2023

The Audited Financial Statements as of December 31, 2023 are attached hereto as Annex “A”.

The Interim Financial Statements as of 30 September 2024 is attached hereto as Annex “B”.

II. Information on Independent Accountants and Other Related Matters

The Audit Committee selects and recommends to the Board and stockholders the appointment of the external auditor and the fixing of the audit fees. The current external auditor is Valdes Abad & Company, CPAs. The appointment of external auditor complies with SEC regulations on rotation of external auditor or of signing partner.

There have been no changes in the company’s external auditors during the two most recent fiscal years nor has there been any disagreement with the external auditors on matters of accounting and financial disclosure.

Following are the total fees paid to the external auditors, inclusive of payments by all subsidiaries, in the past two (2) years (inclusive of VAT):

	Audit and audit-related fees	Tax fees	Other fees
2023	135,240	-	-
2022	122,360	-	-

It is the policy of the Company that any draft audit report must first reviewed by the Audit Committee (the members of the Committee being composed of Mr. Omar T. Cruz (Chairman), Mr. Iluminado B. Montemayor and Engr. Arturo V. Magtibay) prior to said report being endorsed to the Board of Directors for approval. The final draft of the Company’s audited financial statements were discussed and reviewed by said Committee on 15 March 2024. Said audited financial statements were approved by the Company’s Board of Directors during its meeting also held on 15 March 2024.

III. Management’s Discussion and Analysis or Plan of Operation

The company has reopened the pilgrimage complex and resumed the organization of themed events in line with the envisioned use of the complex.

The company will have sufficient cash for development and operation for the next twelve (12) months by way of sale of Offer Shares and drawings on credit line and does not foresee the need to raise additional funds from other sources.

The company will not be undertaking any product research and development activity within the next twelve (12) months. Neither does the company expect to purchase or sell any plant or significant equipment nor does it expect any significant change in the number of its employees.

This discussion begins with a presentation of critical accounting policies which will serve as a guide in reading the financial statements and the comparative analysis of data contained in those statements.

Significant Accounting Policies

Basis of preparation

The significant accounting policies adopted in the preparation of these financial statements are discussed in this note. These policies have been consistently applied to the years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the SEC.

Presentation of financial statements

The financial statements are presented in accordance with PAS 1 (Revised), *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive loss, with profit or loss and other comprehensive income (OCI) presented in two sections. It is required to present a statement of financial position as at the beginning of the earliest comparative period when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and said retrospective application, retrospective restatement or reclassification has a material effect on such third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

These financial statements are presented in Philippine Peso (P), which is also the Company's functional currency and all values are rounded to the nearest peso. Functional currency is the currency of the primary economic environment in which the entity operates or in which it primarily generates and expends cash while presentation currency is the currency in which the financial statements are presented.

Basis of measurement

The Company's financial statements have been prepared on historical cost basis.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Philippine peso, which is the company's functional and presentation currency. All values are rounded to the nearest peso except when otherwise indicated.

Use of judgments and estimates

The preparation of financial statements in compliance with PFRSs requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed.

Changes in accounting policies and disclosures

The accounting policies applicable and adopted in the preparation of the financial statements are consistent with those of the previous financial year, except for the adoption of new/amended standards and interpretations effective starting January 1, 2021.

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

On May 28, 2020, the Board issued COVID-19-Related Rent Concessions - Amendment to PFRS 16, *Leases*. The amendments provide relief to lessees from applying PFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under PFRS 16, if the change was not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the COVID-19 pandemic is continuing, on March 31, 2021, the Board extended the period of the application of the practical expedient to June 30, 2022.

The amendment applies to annual reporting periods beginning on or after April 1, 2021. The amendment did not have any impact on the financial statements of the Company as it has not received COVID-19-related rent concessions.

New and amended standards

The Company will adopt the following new pronouncements that will be applicable to them. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2022

- **Annual improvements to PFRS Standards 2018-2020 Cycle**

- *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- *Amendments to PFRS 9, Financial Instruments, Fees in the '10 percent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- *Amendments to PFRS 16, Lease incentives*

The amendment to illustrative example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The above amendments are not expected to have an impact to the Company.

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

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The amendments added an exception to the recognition principle of PFRS 3, to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- **Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before intended use***

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

- **Amendments to PAS 37, *Onerous Contracts - Cost of fulfilling a contract***

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2023

- **Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

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

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

The amendments are not expected to have a material impact to the Company.

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

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact to the Company.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

The Company has yet to assess the impact of these amendments.

Effective beginning on or after January 1, 2025

- **PFRS 17, Insurance Contracts**

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

In June 2020, PFRS 17 was amended. The amendments are aimed at helping companies implement the standard and making it easier for them to explain their financial performance. PFRS 17 incorporating the amendments is effective from annual reporting periods beginning on or after January 1, 2023.

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

The PFRSC has approved on December 15, 2021 the adoption of amendment to IFRS 17, Insurance Contracts, Initial Application of IFRS 17 and IFRS 9 - Comparative Information issued by the IASB in December 2021 as 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 possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of PFRS 17.

An entity shall apply this amendment to annual reporting periods beginning on or after January 1, 2023.

On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Company.

Deferred

- **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 the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

The Company has yet to assess the impact of these amendments should there be any applicable transactions and adopted when it is effective.

The management, however, expects no significant impact from the adoption of the new standard and amendments on the Company's financial position and financial performance.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current and non-current classification.

An asset is current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the financial reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial reporting period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the financial reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the financial reporting period.

The Company classifies all other liabilities as non-current.

Cash

Cash includes petty cash, cash on hand and in banks. Cash in banks, which are stated at face amount, comprise deposits held at call with banks which earn interest at the prevailing bank deposit rates and are unrestricted as to withdrawal.

Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial asset or a financial liability are initially measured at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Except for trade receivables that do not contain a significant financing component or for which the Church has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial Assets

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Classification

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at *fair value through profit or loss* unless it is measured at amortized cost or at fair value through other comprehensive income. However an entity may make an irrevocable election at initial recognition for particular investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Despite of the above classifications, an entity may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company measures a financial asset at amortized cost if both of the following conditions are met:

- i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at December 31, 2023 and 2022 include cash, receivables (except for advances to employees) and advance to a related party.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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 debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have financial assets at fair value through OCI (debt instruments) as at December 31, 2023 and 2022.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have financial assets at fair value through OCI (equity instruments) as at December 31, 2023 and 2022.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have financial assets at FVPL as at December 31, 2023 and 2022.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Church evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an

associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Financial liabilities are classified as (a) financial liabilities at FVPL (including financial liabilities held for trading and those that are designated at fair value), and (b) other financial liabilities measured at amortized cost.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Gains and losses arising from changes in the fair value of financial liabilities classified as held for trading are included in profit or loss.

Other financial liabilities pertain to issued financial instruments that are not classified or designated at FVPL and contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities include accrued expenses and other payables (except for government liabilities) and advances from related parties.

Derecognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Classification of financial instruments between debt and equity

Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as income or expense in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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 statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Property and equipment

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment has been put into operation, such as repairs and maintenance, are recognized in profit or loss in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard performance, the expenditures are capitalized as an additional cost of property and equipment.

At the end of each financial reporting period, items of property and equipment are carried at cost less accumulated depreciation and amortization, and any impairment in value.

Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives of the assets:

Furniture and fixtures	2-10 years	Building (Clubhouse/cenacle)	50 years
Heavy equipment	10 years	Building improvements	50 years
Images	5-50 years	Welcome arch	15 years
Tools and equipment	5 years	Road	10 years
Leasehold improvements	shorter of lease term and useful life of 5 years	Road improvements	10 years
		Transportation equipment	10 years

An asset is depreciated or amortized when it is available for use until it is derecognized even if during that period the item is idle. Fully depreciated/amortized assets still in use are retained in the financial statements.

The estimated useful lives, and the depreciation and amortization methods are reviewed when an indication that the expected pattern of consumption of economic benefits associated with an item of property and equipment has significantly changed. When an expectation differs, the useful lives, and the depreciation and amortization methods are changed to reflect the new pattern of consumption. This change is accounted for as a change in accounting estimate.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than the estimated recoverable amount.

When an item of property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation and amortization, and any impairment in value are removed from the accounts and any resulting gain or loss arising from the disposal, computed as the difference between

the sales proceeds and the carrying amount of the asset, or retirement of an asset is recognized in profit or loss.

Impairment of non-financial assets

An assessment is made at each financial reporting date if there is any indication of impairment of any asset, or if there is any indication that an impairment loss previously recognized for an asset may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

Among others, the factors that the Company considers important which could trigger an impairment review include the following:

- significant or prolonged decline in fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

If any such indication exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and an impairment loss is recognized in profit or loss in the period in which it arises. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss. After such reversal, the depreciation or amortization expense is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining life.

Input Value-Added Tax (VAT)

Input VAT is recognized at cost less allowance for impairment, if any.

Accrued expenses and other payables

Accruals are liabilities for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the suppliers. It is necessary to estimate the amount or timing of accruals. However, the uncertainty is generally much less than for provisions.

Other payables are recognized in the period in which the related money, goods or services are received or when a legally enforced claim against the Company is established. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

The Company's ordinary shares are classified as equity instruments. Share capital is determined using the par value of shares that have been issued. Incremental costs incurred directly attributable to the issuance of new shares are recognized as a deduction from equity, net of tax.

Share premium represents the premium received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings (Deficit) includes all current and prior period results of operations of the Company as disclosed in the statements of comprehensive income(loss) and statements of changes in equity (capital deficiency).

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

In addition, the following specific recognition criteria must also be met before interest income is recognized:

Interest income earned on bank deposit, which is presented net of tax withheld by bank, is recognized as the interest accrues on a time proportion basis taking into account the effective yield on the asset or EIR.

Other income is recognized when there is an incidental economic benefit, other than from the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be reliably measured.

Expense recognition

The financial statements are prepared on accrual basis of accounting. Under this basis, expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate.

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured.

They are recognized (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under PFRS 16, a lease exists where the contract grants the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an identified asset for a period of time is conveyed when the customer has both of the following throughout the period of use:

- i. The right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. The right to direct the use of the identified asset.

In identifying the leases, lease and some non-lease components shall be accounted separately under applicable standards.

Company as a lessee

For lessees, PFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statements of financial position, with certain exemptions allowed:

- i. Short-term leases (twelve months or less); and
- ii. Leases where the underlying asset, in a new condition, is of low value.

The Company does not recognize right-of-use asset and lease liability considering that the term of its lease agreement is not more than 12 months.

Employee benefits

Short-term benefits

Short-term benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Provisions and contingencies

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is charged against profit or loss, net of any reimbursement. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the Company's financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the Company's financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Income taxes

Provision for income tax represents the sum of the current and deferred taxes.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, determined at the end of every quarter, subject to adjustments at the end of the period when a final adjustment return is filed and the corresponding annual income tax is computed and determined to be recovered or paid.

The tax currently payable is based on taxable income for the period. Taxable income differs from net income (loss) as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or

deductible. The Company's liability for current tax is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the financial reporting date.

Deferred tax

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

Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences while deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences and the carry forward of unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each financial reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of all or part of the deferred tax assets to be utilized.

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

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

Related parties

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

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

Related parties may be individuals or corporate entities. The key management personnel of the Company are also considered to be related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Events after the financial reporting date

Post year-end events up to the date the financial statements are authorized for issue by the BOD that provide additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the accompanying financial statements in accordance with PFRSs requires the Company's management to make judgments and estimates that affect the application of accounting policies, reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

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

(a) Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine Peso.

The Company considers the following factors in determining its functional currency:

- i. the currency that mainly influences its sale of services and the cost of providing the same;
- ii. the currency in which the funds from financing activities are generated; and
- iii. the currency in which the receipts from operating activities are usually retained.

(b) Classifying financial instruments

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and guidelines set by PAS 32 on the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, generally governs its classification in the statement of financial position.

The classification of financial assets and financial liabilities is set out in Note 4.

(c) Significant increase of credit risk

ECL is measured as an allowance equal to 12-month ECL or lifetime ECL. An asset moves to the next stage when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(d) Determining lease term

The Company has entered into lease agreements both as a lessor and as a lessee. As a lessor, the Company has retained all the significant risks and rewards of ownership of the leased property, and thus it accounted for the lease agreements as operating leases.

As a lessee, the Company determines whether there is a need to recognize right-of-use asset and lease liability - on-balance sheet lease under PFRS 16. Judgment is used in determining whether the lease terms will not go beyond twelve months and if it contains underlying assets of low value. In making such judgment, the Company evaluates the terms and conditions of the lease arrangement.

(e) Distinguishing between provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions are discussed in Note 2.15. The Company has determined that no contingencies will materially affect its financial statements, hence, no provisions were recognized in 2022 and 2021.

Estimates and assumptions

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

(a) Estimating loss allowance for ECL

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In addition to specific allowance against individually significant loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This level of allowance is based on the status of the accounts receivable, past collection experience and other factors that may affect collectibility.

There is no allowance for impairment recognized on the Company's receivables as at December 31, 2023 and 2022 (see Notes 6 and 10).

(b) Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, and technological obsolescence on the use of these assets. In addition, the estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would decrease the total assets and increase recorded expenses.

The net carrying value of property and equipment amounted to P473,471,221 and P483,886,367 as at December 31, 2023 and 2022, respectively. Accumulated depreciation and amortization amounted to P61,136,101 and P47,560,107 as at December 31, 2023 and 2022, respectively (see Note 7). There is no change in the estimated useful lives of these assets in 2023 and 2022.

(c) Recognizing deferred tax asset

Management reviews the carrying amount of deferred tax asset at each financial reporting date and reduces the same to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow all or part of the deferred tax asset to be utilized.

Key Performance Indicators

The company monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

End-Q3 2024 vs End-Q3 2023

	YTD September 30, 2024	YTD September 30, 2023
Return on assets ¹	(0.03%)	(0.02%)
Return on equity ²	(0.12%)	(0.07%)
Earnings per share ³	(0.045%)	(0.033%)
	As of September 30, 2024	As of December 31, 2023
Current ratio ⁴	0.01 : 1:00	0.01 : 1:00
Debt-to-Equity ratio ⁵	2.97 : 1:00	2.69: 1:00
Tangible net worth ⁶	P131,470,074	P142,566,538

¹net income/average total assets

²net income/ stockholder's equity

³net income/number of shares outstanding

⁴current assets/current liabilities

⁵total liabilities/stockholder's equity

⁶net worth minus intangible assets

The negative return on assets and negative return on equity were due to the net loss for the period.

Debt-to-equity ratio increased due to increase in liabilities.

FY 2023 vs FY 2022

	2023	2022
Gross income	1,692,953	67,670
Net income (loss)	(20,639,866)	(21,658,412)
NI-to-Assets ratio ¹	(0.039)	(0.040)
Current ratio ²	0.01	0.02
Debt-to-Equity ratio ³	2.69	(16.55)
Tangible net worth ⁴	142,566,538	(34,783,695)

The company registered net loss for both comparative periods.

The company's current ratio decreased from .01 to .02, still below desirable levels. To provide liquidity, the company remains dependent on parent company advances. The company also has an existing credit line with Philippine Business Bank (PBB) on which it may choose to draw. Liquidity is expected to improve once the complex reopens.

Debt-to-equity ratio decreased due to increase of capital.

The company intends to eventually acquire by either merger or share swap the land on which the company is developing the religious-themed complex. This will improve net worth.

The company has no subsidiaries.

Financial Condition

MAPI generates sources of liquidity by selling shares and obtaining advances from affiliate.

¹ Net income/total assets

² Current assets/current liabilities

³ Total liabilities/total equity

⁴ Assets minus liabilities

Causes of material changes in Financial Positions Accounts

End-Q3 2024 vs End 2023

Cash increased 16% due to advances from parent company and partial payment for shares.

End-2023 vs End-2022

Cash in bank decreased 59% due to payment for documentary stamps and payment of advances.

Receivables decreased 99% due to liquidation of advances.

Operating Results

End-Q3 2024 vs End-Q3 2023

The company posted a year-to-date pre-operating net loss of ₱15,201,465 as of end of the 3rd quarter 2024, 37% more than the net loss of ₱11,103,783 for the same period in 2023. The company has reopened the pilgrimage complex.

Full year 2023 vs. Full year 2022

Net loss for the year was P20.6 million, a decrease of more than P1.0 million from the previous year's figure of P21.7 million. The decrease for net loss for fiscal year 2023 compared to 2022 was due to increase in income.

Causes of material changes in Statements of Comprehensive Income Accounts

End-Q3 2024 vs End-Q3 2023

There was significant increase in commission expense (159x) due to sale of shares; taxes and licenses (60x) due to real property taxes of the shrine; loss on sale of transportation equipment (100%); in professional fees (21%), due to increase in salary of officer; and in janitorial and messengerial services (78%), postage, telephone & communication (6%), advertising (10x) and office supplies (3x) due to resumption of operation upon the reopening of the shrine. On the other hand, the following expense items decreased: security services (100%) and heat, light and power (87%) which were shouldered by an affiliate company; travel and transportation (86%) and fuel, oil & lubricants (26%) due to decrease in travel of officers and staff; in directors' fees (36%) due to fewer meetings of board of directors; repairs and maintenance (45%) and representation (85%), since operations have not reached pre-pandemic levels.

FY 2023 vs FY 2022

Salaries, wages and allowances increased 47% due to salary of new officer and increase in salary of staff.

Security services and heat, light & power decreased 48% and 33% respectively because it was shouldered by affiliate company.

Insurance increased 10x due to payment of premium insurance of the shrine.

Janitorial and maintenance services increased 100% due to the resumption of operations upon the reopening of the shrine.

Professional fees increased 79% due to hiring of new officer.

Taxes and licenses increased 100x due to real property taxes of shrine and for local business permits.

Directors' fees increased 100% due to holding of a board meeting.

Commission decreased 62% due to slowing down of sales of shares.

Repairs and maintenance, postage, telephone and communication, outside services, office supplies, travel and transportation and other expenses increased due to reopening of shrine.

Additional notes regarding the company's operations and financial condition

The company does not have and does not anticipate having within the next twelve (12) months any cash flow or liquidity problems. Neither is the company in default or breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments, nor does the company have a significant amount of trade payables unpaid within the stated trade terms.

To the best of the company's knowledge there are no events that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation.

The company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The company generates sources of liquidity by selling shares, obtaining advances from affiliate, obtaining bank loans, and pre-termination of cash placements.

The company has no material commitments for capital expenditures during the reporting period.

The company may be subject to seasonality or cyclicity in its revenues given the nature of its business. The company provides for such seasonality or cyclicity by managing its cash flow, thereby anticipating cash requirements during lean months.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, namely (a) credit risk, (b) liquidity risk, and (c) interest rate risk.

Similar to all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further, quantitative information in respect of these risks is presented throughout these financial statements.

There have been no significant changes to the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to the unpredictability of financial markets.

The main risks arising from the Company's use of financial instruments are summarized as follows:

Credit risk

Credit risk is the risk where a counterparty defaults on its obligation to the Company, thus, resulting in a financial loss to the Company.

Liquidity Risk

Liquidity risk pertains to the company not being able to meet its financial obligations as they fall due.

The liquidity gap will be covered by drawings pursuant to a credit line agreement between Abacore Capital Holdings, Inc. and Philippine Business Bank. The credit line is for the exclusive use in the construction of facilities for Montemaria project. Under the said agreement, the Company may draw an amount not exceeding P100 million. The said amount shall be available from time to time and for such purposes as may be approved by the bank. The credit line is a revolving and continuing credit line. All drawings and availments under the credit line shall be evidenced by a promissory note which will contain such terms and conditions as the interest rate, payment period and default penalty on past due obligation. The agreement contains the standard provisions on default.

IV. Nature and Scope of Business

Montemaria Asia Pilgrims, Inc. (MAPI) was incorporated on 12 April 2013 as a non-profit stock corporation. At incorporation its capital stock consisted of 5,000 Proprietary shares and 20,000 Associate shares, all without par value. The company has since increased its authorized capital stock from 5,000 to 15,000 Proprietary shares and from 20,000 to 50,000 Associate shares. The increase was approved by the Securities and Exchange Commission on 29 January 2014 and 28 July 2015. The Offer Shares will be sold at the price of P100,000.00 per share for Proprietary shares and P20,000.00 per share for Associate shares. On 6 November 2014 the Securities and Exchange Commission rendered effective MAPI's Registration Statement covering above mentioned shares. On 8 April 2015 the SEC issued the Order of Registration and the Certificate of Permit to Offer Securities for Sale for the said shares.

MAPI, as a membership club, is envisioned as a religious-themed destination and venue for spiritual pilgrimage for its members/shareholders. Such pilgrimage is conceptualized as a package that has devotional, cultural, family, mental and psychic wellness dimensions. Facilities are designed to cater to these dimensions of the spiritual pilgrimage. The club, in other words, will be a venue for religious tourism in a broad sense. This includes not only retreats, devotional activities and spiritual conferences but also the usual family celebrations on the occasion of birthdays, weddings, baptisms and anniversaries, except that these celebrations take on the character of a family celebration of an extended Christian family, very typical of Filipino families. The architectural design of the whole development is meant to provide the proper ambience for this type of religious tourism: facilities blend neatly into the serene landscape, at any point of which one has a view of the calm waters surrounding the property, including the Verde Island Passage.

The Club's facilities shall be for the exclusive use of its members/shareholders and their spouses, dependents and guests. Proprietary members/shareholders are entitled to use the recreational and other facilities of the Club and enjoy all the other privileges of Club members/shareholders and the exclusive use and disposition of one (1) memorial vault. Associate members/shareholders are entitled to use the recreational and other facilities of the Club and enjoy such privileges of Club members/shareholders as may be granted by the Board, except the use and disposition of a memorial vault. Members/shareholders are expected to promptly settle their monthly dues and other charges and fulfill their obligations in accordance with the Rules and Regulations of the Club.

Competition

The company will be competing, on one hand, with restaurants and hotels, such as Hotel Ponte Fino and Days Hotel, in the Batangas area for dining facilities and venues for functions. The company's dining and functions facilities will be competitive in terms of price, as it will enjoy economies of scale by sharing facilities with Alpa Hotel, its affiliate; and service, since no other venue offers a spiritual package combined with a homey ambience enhanced by natural view of the sea.

The company will also be competing with entities located in the Batangas area that provide recreational facilities such as golf courses or diving resorts. The company will be able to hold its own against these entities since the company offers a different kind of recreation that is more of the family-oriented and spiritual kind at a price that is comparable or even lower than what these entities charge since the Registrant can obtain subsidies for spiritual conferences or retreats.

Customers

The customer base for the business of the Company consists in local and foreign guests, with special emphasis on travelers and tourists who live in the Southern part of Luzon. The Company is therefore not dependent on a single or a few customers.

The main customers of MAPI will be its members/shareholders, the number of which will depend on the Offer Shares sold. The number of members/shareholders may affect the pricing of the food and services and may cause dependence on the continued patronage of a few customers to sustain MAPI's operations. MAPI has no major existing sales contracts.

V. Business Experience of Directors, Nominees for Director, and Executive Officers during the past five (5) years

Hermilando I. Mandanas (80 years old, Filipino), is a Director of the company since April 12, 2013 and currently Chairman of MAPI, he is Governor of the Province of Batangas, having previously served in that position for the years 1995 up to 2004. He also served for three terms as 2nd District Representative of the Province of Batangas. He is a Certified Public Accountant and Investment Banker.

Ernesto I. Mandanas, Jr. (77 years old, Filipino), is a Director of the company since 2017 and currently President. He is a Roman Catholic priest of the Archdiocese of Lipa. He also serves as member of the Board of Advisers of Stonyhurst Southville International School and of the Board of Trustees of Bishop Alfredo Ma. Obviar Foundation. He has a doctorate in canon law.

Ma. Filomena R. Legaspi-Rosales (69 years old, Filipino), is a Director of the company since October 6, 2022, Atty. Legaspi-Rosales has decades of experience serving in national and local government agencies, structuring complex real estate transactions, and rendering legal advice. Her legal expertise and relationships in the community have given her multiple opportunities to assist clients in overcoming the challenges of multiple deals. Atty. Legaspi-Rosales' legal practice focuses on real estate; general corporate representations; trusts and estates; regulatory and administrative law. She has worked with the Cagayan Economic Zone Authority, Subic Bay Metropolitan Authority, Bureau of Food and Drugs, Commission on Human Rights, and many others. She was also the Barangay Captain of Dasmarinas Village, Makati. She has been serving Santuario de San Antonio as a Lector/Commentator for over 25 years. She is the Founding Partner of Legaspi Rosales Law Office as well as the President of the Ateneo Law Alumni Association Inc. and Rafel Realty & Development Corp. Atty. Legaspi-Rosales finished her Bachelor of Laws at the Ateneo Law School.

Raul B. De Mesa (81 years old, Filipino), is a Director of the company since 2014, previously served as President and Chief Executive Officer of Bank of Commerce. He is a distinguished banker with substantial years of experience in the financial industry. Prior to Bank of Commerce he had 37 years of banking experience, having occupied various positions in several banking institutions such as Security Bank, Manila Banking Corporation, Far East Bank & Trust Company. He is also a Director at CAP Life Insurance Corporation.

Arturo V. Magtibay (75 years old, Filipino), is a Director of the company since April 12, 2013 and currently Vice President-Facilities. He was the Provincial Engineer of Batangas from 1996 to 2007. He was also Assistant Professor III and Chairman of the College of Engineering of the University of Batangas. He is a licensed Civil Engineer with a wide experience in construction projects. He obtained his degree of Bachelor of Science in Civil Engineering from the Mapua Institute of Technology. He is the Chairman/President of Omnicor Industrial Estate & Realty Center, Inc., HIM Management & Associates, Inc., Calatagan Aqua Farms, Inc. and Hedge Integrated Management Group, Inc.

Illuminado B. Montemayor (76 years old, Filipino), is a Director of the company since April 12, 2013 and currently Vice President-Internal Audit, is also a member of the Board of Directors of Abacore Capital Holdings, Inc., Philippine Regional Investment Development Corporation and Abacus Global Technovisions, Inc.. He finished BS Commerce at the De La Salle University.

Arnold R.A. Gutierrez (55 years old, Filipino), is a Director of the company since April 12, 2013 and currently Chief Operations Officer/Executive Vice-President, was General Manager of the Batangas

Port Livelihood Center from 2004 to 2007. He also served as Executive Assistant to the Provincial Governor of Batangas from 2001 to 2004. He finished his Bachelor of Arts Degree in Political Science at the De La Salle University. He is a director of Omnicor Industrial Estate & Realty Center, Inc. and director/Senior Vice-President for Projects of Abacore Capital Holdings, Inc.

Ma. Isabel B. Bejasa (66 years old, Filipino), is a Director of the company since April 12, 2013 and currently Treasurer, is an incorporator/President of Blue Stock Development Holdings, Inc. (BSDHI), the parent company of AbaGT, and has been a director of BSDHI since 1982. Since 1995 she has also been part of the management team of the Alpa Hotel and Batangan Plaza, two well known hotels located in Batangas City which AbaGT acquired in August 2007. She is the former Treasurer of Omnicor Industrial Estate & Realty Center, Inc., HIM Management & Associates, Inc. and Calatagan Aqua Farms, Inc.

Ricardo C. Leong (90 years old, Filipino), is a Director of the company since 2020. He is a director of Flexo Manufacturing Corporation and Sinophil Corporation and a member of the Advisory Board of Equitable PCI Bank. He obtained his Bachelor of Science Degree in Mathematics from Fordham University, New York.

Rodrigo C. Reyes (75 years old, Filipino), is a Director of the company since 2017, graduated from De La Salle University with a Bachelor of Science Degree in Commerce in 1968. He later graduated from De La Salle for his Master's in Business Administration. He has served as Treasurer for Vicky's Farm House Resort, Inc., Juanico Development, Inc., Rodvic Development, Inc., Romana Development and Management Corp, and Dona Juana Enterprises, Inc.,. He is currently a Director of Philstar Development Bank and serves as a Director of Philippine Regional Investment Development Corporation and Abacus Global Technovisions, Inc.

Antonio V.F. Gregorio III (52 years old, Filipino), is a Director of the company since 2018, has been Chairman and President of various listed companies such as Nihao Mineral Resources, Asia Best Group, Iodestar Investment and Holding Corporation. He graduated, Second Honors, with a Juris Doctor Degree from the Ateneo de Manila University in 1998 and passed the bar examinations in 1999. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts Major in Economics-Honors, both from the Ateneo de Manila University, Honorable Mention and Cum Laude, respectively. He was valedictorian of his high school class in Ateneo. Atty. Gregorio is a partner of Gregorio Law Offices and sits as director and officer of various private and public companies, including AGP Industrial Corporation, Active Earnings, Inc., among other companies.

Jackson L. Laureano (62 years old, Filipino), is a Director of the company since 2019, serves as Chairman/President of the Fitrite Inc. and Holrite International Corporation from 2008 to present. Mr. Laureano serves also as member of the Board of Director of Ancal Development & Investment Corporation and Holsum Foods, Inc. from 2008 to present.

Bernardo M. Villegas (85 years old, Filipino), is a Director of the company since December 15, 2017, nominee for independent director. He is Senior Vice President of the University of Asia and the Pacific, Educational Consultant of the Parents for Education Foundation Inc. ("PAREF"), and a columnist for the Manila Bulletin. He has been the Chairman of Filipino Fund Inc. since June 2012 and serves as Independent Director of Benguet Corp., Director of Alaska Milk Corp., Bank of the Philippine Islands, Transnational Diversified Inc., Insular Life Assurance Company, Ltd. He was a member of the 1986 Constitutional Commission and is a well-known economist. He obtained his PhD in Economics from Harvard University.

Omar T. Cruz (69 years old, Filipino), is a Director of the company since December 17, 2019, nominee for independent director, serves as Chairman, International Treasury Committee of International Association of Financial Executive Institute from 2015 - 2017. Mr. Cruz serves as Senior Advisor of Prudential Corporation Asia (HK) from 2014 - 2016. He served as EVP and Chief Investment Officer and then President and Chief Executive Officer of BPI Philam Life Assurance Corporation from 2007 to 2011 and 2011 to 2013, respectively. He served as a Director of PHINMA Corporation until November 6, 2013. He served as Director of Union Galvasteel Corporation, Philamlife Company and BPI PhilamLife Assurance Corporation.

Clarita T. Zarraga (84 years old, Filipino), is a Director of the company elected on September 01, 2023, nominee for independent director. She is currently the President of BOSS, Inc., a management services outsourcing company. She previously served as President of Abacore Capital Holdings, Inc. when it was still called Abacus Consolidated Resources and Holdings, Inc. (ACRHI), a position she held until her retirement in 2009. For some years after her retirement from ACRHI she served in the Board of some of ACRHI's related companies, a position she has since relinquished. A Certified Public Accountant and licensed real estate broker, she has extensive experience in management, accounting and real estate business.

Vicente Rafael L. Rosales (40 years old, Filipino), joined in the company since January 30, 2017 as Corporate Secretary, works as a Professor at Lyceum Law School where he teaches Partnership, Agency and Trusts. In 2011-2013, Atty. Rosales was a Delegate to the National Conference for the Revision of the Rules of Civil Procedure working with the Pre-Trial to Trial working Group under Supreme Court Justice Roberto A. Abad. He also worked as a consultant to the Sangguniang Kabataan of Dasmariñas Village, Makati City and was the Sole Philippine Representative to the First United Nations World Youth Assembly for Road Safety at the United Nations, Geneva Switzerland in April of 2007. He is a partner at Legaspi Rosales Law office and a Director and Corporate Secretary of Rafel Realty & Development Corporation. He finished his Juris Doctor at the Ateneo Law School.

V. Compliance with leading practices of Corporate Governance

Company's Board of Directors approved its Manual on Corporate Governance on 11 June 2013 and filed with the SEC a certified copy of the Manual on 22 January 2009. Company's Compliance Officer is tasked to monitor compliance with Philippine SEC Memorandum Circular No. 2 dated April 5, 2002 and the relevant Philippine SEC Circulars on Corporate Governance.

An amended Manual on Corporate Governance was approved by the Board of Directors on 17 January 2014 and filed with the SEC on the same date. On 17 January 2014, the company adopted a Revised Corporate Governance Manual and submitted a copy thereof to the SEC. In the revised manual the company incorporated the pertinent changes in the SEC's Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009). Registrant has likewise filed its further revised Manual of Corporate Governance in compliance with SEC Memorandum Circular No. 9, Series of 2014.

Pursuant to SEC MC 24, the Corporation submits the following reports to the SEC:

1. Certification of its Compliance Officer on its compliance with the Revised Code of Corporate Governance; and
2. Certification of its Corporate Secretary on the record of attendance in board meetings for the previous year.

The Corporation substantially complies with best practices in Corporate Governance and as part of its report submits a report card on self governance.

Board Committees

The company's independent directors were elected during the 15 December 2023 Annual Stockholders' Meeting. During the 15 December 2023 annual stockholders' meeting the Board will be appointing the members of the Nomination Committee, Audit Committee and Compensation, Risk and Remuneration Committee for the succeeding period pursuant to the company's Corporate Governance Manual.

Evaluation System

MAPI makes use of the template provided in the Corporate Governance Self-Rating Form adopted pursuant to SEC Memorandum Circular No.5, Series of 2003 to determine the level of compliance of the Board of Directors and top level management with the Manual on Corporate Governance.

Compliance with Corporate Governance Best Practices

MAPI provides opportunities to its directors, officers and employees to undergo training in the leading practices of corporate governance. The Board of Directors evaluates, and tries to improve upon, as appropriate, its corporate governance principles and policies in the following areas:

- compliance with laws, rules and regulations;
- conflicts of interest;
- insider trading;
- corporate opportunities;
- competition and fair dealing;
- health and safety;
- record keeping;
- confidentiality;
- protection and proper use of company assets; and
- payments to government personnel.

Deviations from Manual on Corporate Governance

To date there have been no substantive or major deviations from MAPI's Manual on Corporate Governance.

Plans to improve corporate governance

The Company is planning to conduct in-house training seminars and conferences to enable its directors, officers and employees to assimilate good corporate governance practices.

VI. Market Price and Dividends

Market Price

There is no established exchange or market for the company's shares.

Holders

As of September 30, 2024 the company has 370 shareholders. The top 20 shareholders are as follows:

Name of Shareholder	Proprietary shares	Percent of class	Associate shares	Percent of class
Omnikor Industrial Estate & Realty Center, Inc.	4,659	49.15%	7,319	35.02%
Hedge Integrated Management Group, Inc. (HIMGI)	2,178	22.97%	9,990	47.79%
Roman Catholic Archbishop of Lipa	1,000	10.55%		
HIM Management & Associates, Inc.	404	4.26%	2,343	11.21%
Calatagan Aqua Farms, Inc.	187	1.97%	1,159	5.54%
Fil-Homes Realty Dev't. Corp.	250	2.64%		
STI Education Services	161	1.70%		
Maynilad Cultural Foundation, Inc.	150	1.58%		
Cynthia G. Poligono	30	0.32%	-	-
Ramon Arnaiz	30	0.32%		
Dionisio Topacio	10	0.11%		
Mary Ann A. Bascon	6	0.06%	-	-
Dionisio V. Torreja	5	0.05%	-	-
Maricris Torreja	5	0.05%	-	-
Dante D. Hega	5	0.05%	-	-

Danilo de Castro Cruz	5	0.05%		
Wilcon Builder's Depot, Inc.	4	0.04%		
Romulo M. Geron	3	0.03%		
Vivian Delica	3	0.03%		
Dean R. Cambe	3	0.03%		
Rolly Dy Tan	3	0.03%		
Romina Glestine Dy Tan	3	0.03%		
Royce Glester Dy Tan	3	0.03%		
Formalum Industries, Inc	2	0.02%		
Narcisa Ebite Gamier	2	0.02%		
Efren Mandigma	2	0.02%		
Rosalina Mandigma	2	0.02%		
Jonas Juan U. Gutierrez	2	0.02%		
Marlyn B. Pagsinohin	2	0.02%		
Florante B. Gutierrez	2	0.02%		
Harold Janda	2	0.02%		
Reynante Delica	2	0.02%		
Miguelito de Guia	2	0.02%		
Noel L. Camo	2	0.02%		
Noel B. de Leon	2	0.02%		
Ariel R. Catibog	2	0.02%		
Loida M. Catibog	2	0.02%		
Lucia A. Mandigma	2	0.02%		
Zoraida B. Gainza	2	0.02%		
Ramon T. Balotoc	2	0.02%		
Nila P. Sarmiento	2	0.02%		
Margarita Emelyn B. Villamor	2	0.02%		
Marife C. Manongsong	2	0.02%		
Anna Louisa L. Cauntay	2	0.02%		
Jeanina Faye C. de los Reyes	2	0.02%		
Lyn P. Garde	2	0.02%		
Ruel Mendoza Dinglasan	2	0.02%		
Rolando C. Castillo	2	0.02%		
Dante P. Solis	2	0.02%		
Joenald M. Rayos			2	0.01%
Carolina Villamor			2	0.01%
Raquel J. de los Reyes			2	0.01%
Joel D. Javier			2	0.01%
Hermilando I. Mandanas	1	0.01%	1	<0.005%
Ma. Filomena Legaspi-Rosales	1	0.01%	1	<0.005%
Arturo V. Magtibay	1	0.01%	1	<0.005%
Iluminado B. Montemayor	1	0.01%	1	<0.005%
Ricardo C. Leong	1	0.01%	1	<0.005%
Arnold R.A. Gutierrez	2	0.01%	1	<0.005%
Ma. Isabel B. Bejasa	1	0.01%	1	<0.005%
Rodrigo C. Reyes	1	0.01%	1	<0.005%
Antonio V.F. Gregorio III	1	0.01%	1	<0.005%
Raul B. de Mesa	1	0.01%	1	<0.005%
Jackson Laureano	1	0.01%	1	<0.005%
Bernardo M. Villegas	1	0.01%		
Clarita T. Zarraga	1	0.01%		
Omar T. Cruz	1	0.01%		
Ernesto I. Mandanas	1	0.01%		
Vicente Rafael L. Rosales	1	0.01%		
TOTAL	9,176	96.79%	20,832	99.665%

Unissued shares consist of the following:

5,520 Proprietary shares
29,098 Associate shares

Unissued shares will be sold to the public. Hence, the number of holders of company's shares is expected to increase.

Recent Sales of Unregistered or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction

On 29 January 2014, the SEC approved the company's increase of capital stock from 5,000 to 7,500 proprietary shares and from 20,000 to 30,000 associate shares. All the proprietary and associate shares from the increase of capital stock were issued at an issue value of P10,000 and P1,000 per share, respectively.

On 21 March 2014, the company's Board of Directors and stockholders approved the additional issuance of 428 Proprietary shares and 856 Associate shares to existing stockholders. These issuances are exempt transactions.

On 28 July 2015, the SEC approved the company's additional increase of capital stock from 7,500 to 15,000 proprietary shares and from 30,000 to 50,000 associate shares. All the proprietary and associate shares from the additional increase of capital stock were issued at an issue value of P10,000 and P1,000 per share, respectively.

Dividends

The company is a non-profit stock corporation. There will be no distribution of dividends.

THE COMPANY UNDERTAKES TO FURNISH ANY STOCKHOLDER, UPON WRITTEN REQUEST, COPY OF THE COMPANY'S ANNUAL REPORT (SEC FORM 17-A) FREE OF CHARGE. WRITTEN REQUESTS MUST BE ADDRESSED TO THE FOLLOWING:

MONTEMARIA ASIA PILGRIMS, INC.
Alpa Hotel, Tolentino Road, Kumintang Ibaba, Batangas City 4200

Attention: VICENTE RAFAEL L. ROSALES
Corporate Secretary



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No: 02-5322-7696 Email US: www.sec.gov.ph messages@sec.gov.ph



The following document has been received:

Receiving: Mark Anthony Oseña

Receipt Date and Time: April 15, 2024 02:33:14 PM

Company Information

SEC Registration No.: CS201307234

Company Name: MONTEMARIA ASIA PILGRIMS, INC.

Industry Classification: O93099

Company Type: Stock Corporation

Document Information

Document ID: OST10415202482199176

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	3	0	7	2	3	4
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Company Name

M	O	N	T	E	M	A	R	I	A	A	S	I	A	,	P	I	L	G	R	I	M	S	,	I	N	C	.

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

A	L	P	A		H	O	T	E	L	,	T	O	L	E	N	T	I	N	O		R	O	A	D				
K	U	M	I	N	T	A	N	G		I	B	A	B	A	,	B	A	T	A	N	G	A	S		C	I	T	Y

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

SRC, Secs. 8 & 12

COMPANY INFORMATION

Company's Email Address

mapi.041213@gmail.com

Company's Telephone Number/s

(02)8725-7875

Mobile Number

N/A

No. of Stockholders

362

Annual Meeting
Month/Day

Nov/2nd Wed

Fiscal Year
Month/Day

31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Vicente L. Rosales

Email Address

vicentelrosales@gmail.com

Telephone Number/s

(02)8724-3759

Mobile Number

09175372080

Contact Person's Address

135 J.P. Rizal St., Milagrosa, Quezon 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.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **Montemaria Asia Pilgrims, Inc.** (the "Company") 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 but 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 stockholders.

VALDES, ABAD & COMPANY, CPAs, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


HERMILANDO I. MANDANAS

Chairman of the Board


ERNESTO I. MANDANAS JR.

President


MA. ISABEL B. BEJASA

Treasurer

Signed this 15th day of March 2024



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Kumintangibaba
Batangas City 4200
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No. 28 N. Domingo St.
New Manila
Quezon City 1112
Philippines
+63.2.724.4355
+63.2.724.3290

15 APR 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2024.
Affiants exhibited to me their identification documents, as follows:

NAMES	IDENTIFICATION DOCUMENT	PARTICULARS
Hermilando I. Mandanas	Passport No. P6433331A	Valid until 03.14.2028
Ernesto I. Mandanas	RCAL#0024012673	Valid until 12.31.2024
Ma. Isabel B. Bejasa	Driver's Lic. No. DO1_97-119055	Valid until 04.20.2023

Doc No. 587
Page No. 119
Book No. 12
Series of 2024



ATTY. ILUMINADO O. QUEVAS, CPA
Notary Public
Until December 31, 2025
Under Admin. Matter No. 2023-222-R
Hiltop, Kumintang Ibaba, Batangas City
Roll No. 35085/27 May 1988
PTR No. 4658294/1-2-24/Sats. City
IBP No. 331884/12-29-23/Pasig City for Year 2023
TIN-129-591-178-000
MCLE VII40014036/Valid up to: 4-14-2025



Valdes Abad & Company

(Formerly: Valdes Abad & Associates)

certified public accountants

CJV Building 108 Aguirre
Street, Legaspi Village,
Makati City, Philippines

Branches:

Cebu and Davao

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(632) 8519-2105

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E-mail: cmegroup@vacocpa.com.ph

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



member

an association of
legally independent
accounting firms

partnering for success

The Board of Directors

MONTEMARIA ASIA PILGRIMS, INC.

Alpa Hotel Tolentino Road,

Kumintang Ibaba, Batangas City

Gentlemen:

In connection with our examination of the statements of financial position of **MONTEMARIA ASIA PILGRIMS, INC.** as of December 31, 2023 and 2022, and the related statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, we are stating that no partner of our firm is related by consanguinity or affinity to any of the principal officers or Board of Directors of the Company.

Very truly yours,

VALDES, ABAD & COMPANY, CPAS
201-130-974

By:


RENATO M. CABRAL

Partner

CPA Registration No. 039861

Issued on September 7, 2023

Valid until September 7, 2026

TIN 103-175-544

PTR No. 10081735

Issued on January 8, 2024, Makati City

BOA/PRC Reg. No. 0314

Issued on July 29, 2021

Valid until July 14, 2024

BIR Accreditation no. 08-002126-4-2021

Issued on March 19, 2021,

Valid until March 18, 2024

Makati City, Philippines
March 15, 2024

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

MONTEMARIA ASIA PILGRIMS, INC.

Alpa Hotel Tolentino Road,

Kumintang Ibaba, Batangas City

Opinion

We have audited the financial statements of **MONTEMARIA ASIA PILGRIMS, INC.**, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

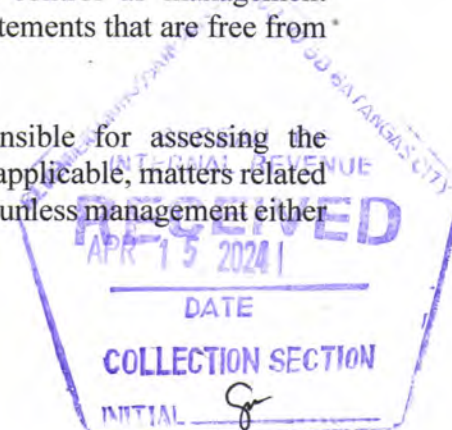
Basis for Opinion

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

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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either



intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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:

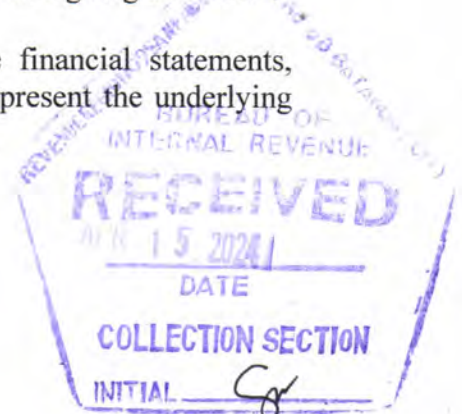
Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 entity'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 entity'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 the auditor's report. However, future events or conditions may cause an entity 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 Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our 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.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

SEC Accreditation No. 0314-SEC, Group A

Issued on November 29, 2022, Valid from 2022-2026

BIR Accreditation No. 08-002126-0-2021

Issued on March 19, 2021, Valid until March 18, 2024

For the firm:


RENATO M. CABRAL

Partner

CPA Registration No. 039861

Issued on September 7, 2023

Valid until September 7, 2026

TIN 103-175-544

PTR No. 10081735

Issued on January 8, 2024, Makati City

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Issued on July 29, 2021

Valid until July 14, 2024

BIR Accreditation no. 08-002126-4-2021

Issued on March 19, 2021,

Valid until March 18, 2024

Makati City, Philippines

March 15, 2024



MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF FINANCIAL POSITION

(In Philippine Peso)

ASSETS	Notes	December 31,	
		2023	2022
CURRENT ASSETS			
Cash	5	3,330,334	8,220,962
Receivables	6	500	48,999
Advances to affiliates	10	1,042,011	1,042,011
Other current assets	4	64,215	-
Total current assets		4,437,060	9,311,971
NON-CURRENT ASSETS			
Property and equipment, net	7	473,471,221	483,886,367
Other non-current assets		47,915,531	47,606,321
Total non-current assets		521,386,752	531,492,687
TOTAL ASSETS		525,823,812	540,804,659
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable and accrued expenses	9	101,803,385	79,141,835
Advances from related party	10	280,853,889	496,446,519
Rental deposits		600,000	-
Total liabilities		383,257,274	575,588,354
EQUITY			
Share capital	11	115,325,000	86,755,000
Share Premium		217,820,750	48,400,650
Deficit		(190,579,212)	(169,939,345)
Total equity		142,566,538	(34,783,695)
TOTAL LIABILITIES AND EQUITY		525,823,812	540,804,659

See Notes to Financial Statements



MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF COMPREHENSIVE INCOME

(In Philippine Peso)

For the years ended December 31,	Notes	2023	2022
REVENUES		-	-
OTHER INCOME	12	1,692,953	67,670
EXPENSES	13	22,332,819	21,726,082
LOSS BEFORE INCOME TAX		(20,639,866)	(21,658,412)
INCOME TAX EXPENSE			
Current	15	-	-
NET LOSS AFTER TAX		(20,639,866)	(21,658,412)
OTHER COMPREHENSIVE INCOME		-	-
NET LOSS FOR THE YEAR		(20,639,866)	(21,658,412)

See Notes to Financial Statements



MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)

	Share Capital (Note 11)	Share Premium (Note 11)	Retained Earnings (Deficit)	Total
BALANCE AS OF DECEMBER 31, 2021	86,745,000	48,400,650	(148,280,933)	(13,135,283)
Additional issuance of share capital	10,000	-	-	10,000
Net loss for the year	-	-	(21,658,412)	(21,658,412)
BALANCE AS OF DECEMBER 31, 2022	86,755,000	48,400,650	(169,939,345)	(34,783,695)
Additional issuance of share capital	28,570,000	169,420,100	-	197,990,100
Net loss for the year	-	-	(20,639,867)	(20,639,867)
BALANCE AS OF DECEMBER 31, 2023	115,325,000	217,820,750	(190,579,212)	142,566,538

See Notes to Financial Statements



MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF CASH FLOWS

(In Philippine Peso)

For the years ended December 31,	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(Loss) before tax		(20,639,866)	(21,658,412)
Adjustments for:			
Depreciation		13,575,994	13,030,303
Operating income before working capital changes		(7,063,872)	(8,628,109)
(Increase) decrease in:			
Accounts & other receivables	6	48,498	77,080
Other current assets	4	(64,215)	-
Increase (decrease) in:			
Accrued expenses and others	9	22,661,550	28,131,516
Rental deposits		600,000	-
Net cash from (used in) operating activities		16,181,961	19,580,487
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(3,160,848)	(1,221,273)
Other non-current assets		(309,210)	(168,316)
Net cash from (used in) investing activities		(3,470,059)	(1,389,589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from affiliates	10	(215,592,630)	(12,343,000)
Paid up Capital		28,570,000	10,000
Share premium	11	169,420,100	-
Net cash from financing activities		(17,602,530)	(12,333,000)
NET INCREASE/DECREASE IN CASH		(4,890,628)	5,857,898
CASH, BEGINNING		8,220,962	2,363,064
CASH, ENDING		3,330,334	8,220,962

See Notes to Financial Statements

MONTEMARIA ASIA PILGRIMS, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1 - GENERAL INFORMATION

1.1 Corporate information

Montemaria Asia Pilgrims, Inc. (the “Company” or MAPI) is a non-profit, stock corporation registered with the Philippine Securities and Exchange Commission (SEC) on April 12, 2013 per SEC Registration No. CS201307234. Its primary purpose is to promote the spiritual, social, cultural, recreational and health activities of its members/stockholders, who shall be issued membership shares/certificates, particularly through the setting up, development, construction, acquisition, maintenance, operation and servicing of shrines, churches, meditation areas, retreat houses, conference centers, dormitories, amphitheatres, sports facilities, swimming pools, gardens, health spas, convention centers, multi-purpose halls and other similar facilities and to provide pilgrimage facilities and services to its members.

Its registered address is located at Alpa Hotel, Tolentino Road, Kumintang Ibaba, Batangas City.

The Company has no commercial operations as of December 31, 2023.

1.2 Going concern assumption

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has incurred significant losses from its operations which have accumulated to **₱190,579,211** and **₱169,939,345** and resulted in capital deficiency of **₱34,783,695** as at December 31, 2022.

The Board of Directors on March 17, 2021 approved the conversion of the debt owed to Omnicor Industrial Estate & Realty Center, Inc. into equity in the company. On December 17, 2021 the stockholders approved the conversion of the debt into equity in the aggregate amount of **₱506,282,562**.

A subscription agreement for **₱199,990,000** was executed between Montemaria Asia Pilgrims, Inc. and Omnicor Industrial Estate and Realty Center, Inc. on January 31, 2023 to convert a portion of the debt into equity in Montemaria. The corresponding documentary stamp taxes were paid on time on February 2023.

The Company believes that it is appropriate to prepare the financial statements on a going concern basis. Should the Company be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Company’s assets to their recoverable amounts, and to provide for any further liabilities which might arise and reclassify non-current assets to current assets.

1.3 Approval of the financial statements

The financial statements of the Company were approved and authorized for issue by the BOD on March 15, 2024 and that Hermilando Mandanas, the Company’s Chairman of the Board, was authorized to sign and cause the issuance of the financial statements on its behalf.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
--

2.1 Basis of preparation

The significant accounting policies adopted in the preparation of these financial statements are discussed in this note. These policies have been consistently applied to the years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the SEC.

Presentation of financial statements

The financial statements are presented in accordance with PAS 1 (Revised), *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive income (loss), with profit or loss and other comprehensive income (OCI) presented in two sections. It is required to present a statement of financial position as at the beginning of the earliest comparative period when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and said retrospective application, retrospective restatement or reclassification has a material effect on such third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

These financial statements are presented in Philippine Peso (₱), which is also the Company's functional currency and all values are rounded to the nearest peso. Functional currency is the currency of the primary economic environment in which the entity operates or in which it primarily generates and expends cash while presentation currency is the currency in which the financial statements are presented.

Basis of measurement

The Company's financial statements have been prepared on historical cost basis.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Philippine peso, which is the company's functional and presentation currency. All values are rounded to the nearest peso except when otherwise indicated.

Use of judgments and estimates

The preparation of financial statements in compliance with PFRSs requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in Note 3.

2.2 Changes in accounting policies and disclosures

The accounting policies applicable and adopted in the preparation of the financial statements are consistent with those of the previous financial year, except for the adoption of new/amended standards and interpretations effective starting January 1, 2024.

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

On May 28, 2020, the Board issued COVID-19-Related Rent Concessions - Amendment to PFRS 16, *Leases*. The amendments provide relief to lessees from applying PFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under PFRS 16, if the change was not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the COVID-19 pandemic is continuing, on March 31, 2021, the Board extended the period of the application of the practical expedient to June 30, 2022.

The amendment applies to annual reporting periods beginning on or after April 1, 2021. The amendment did not have any impact on the financial statements of the Company as it has not received COVID-19-related rent concessions.

New and amended standards

The Company will adopt the following new pronouncements that will be applicable to them. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2022

- **Annual improvements to PFRS Standards 2018-2020 Cycle**

- *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- *Amendments to PFRS 9, Financial Instruments, Fees in the '10 percent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- *Amendments to PFRS 16, Lease incentives*

The amendment to illustrative example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The above amendments are not expected to have an impact to the Company.

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

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The amendments added an exception to the recognition principle of PFRS 3, to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- **Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before intended use***

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

- **Amendments to PAS 37, *Onerous Contracts - Cost of fulfilling a contract***

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2023

- **Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

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

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

The amendments are not expected to have a material impact to the Company.

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

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact to the Company.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

The Company has yet to assess the impact of these amendments.

Effective beginning on or after January 1, 2025

- **PFRS 17, *Insurance Contracts***

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

In June 2020, PFRS 17 was amended. The amendments are aimed at helping companies implement the standard and making it easier for them to explain their financial performance. PFRS 17 incorporating the amendments is effective from annual reporting periods beginning on or after January 1, 2023.

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

The PFRSC has approved on December 15, 2021 the adoption of amendment to IFRS 17, Insurance Contracts, Initial Application of IFRS 17 and IFRS 9 - Comparative Information issued by the IASB in December 2021 as 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 possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of PFRS 17.

An entity shall apply this amendment to annual reporting periods beginning on or after January 1, 2023.

On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Company.

Deferred

- ***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 the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Company has yet to assess the impact of these amendments should there be any applicable transactions and adopted when it is effective.

The management, however, expects no significant impact from the adoption of the new standard and amendments on the Company's financial position and financial performance.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current and non-current classification.

An asset is current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the financial reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial reporting period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the financial reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the financial reporting period.

The Company classifies all other liabilities as non-current.

2.4 Cash

Cash includes petty cash, cash on hand and in banks. Cash in banks, which are stated at face amount, comprise deposits held at call with banks which earn interest at the prevailing bank deposit rates and are unrestricted as to withdrawal.

2.5 Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial asset or a financial liability are initially measured at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Except for trade receivables that do not contain a significant financing component or for which the Church has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial Assets

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Classification

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at *fair value through profit or loss* unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election at initial recognition for particular investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Despite of the above classifications, an entity may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company measures a financial asset at amortized cost if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at December 31, 2023 and 2022 include cash, receivables (except for advances to employees) and advance to a related party.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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 debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have financial assets at fair value through OCI (debt instruments) as at December 31, 2023 and 2022.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have financial assets at fair value through OCI (equity instruments) as at December 31, 2023 and 2022.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading

if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have financial assets at FVPL as at December 31, 2023 and 2022.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Church evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Financial liabilities are classified as (a) financial liabilities at FVPL (including financial liabilities held for trading and those that are designated at fair value), and (b) other financial liabilities measured at amortized cost.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Gains and losses arising from changes in the fair value of financial liabilities classified as held for trading are included in profit or loss.

Other financial liabilities pertain to issued financial instruments that are not classified or designated at FVPL and contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities include accrued expenses and other payables (except for government liabilities) and advances from related parties.

Derecognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Classification of financial instruments between debt and equity

Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as income or expense in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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 statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

2.6 Property and equipment

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment has been put into operation, such as repairs and maintenance, are recognized in profit or loss in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard performance, the expenditures are capitalized as an additional cost of property and equipment.

At the end of each financial reporting period, items of property and equipment are carried at cost less accumulated depreciation and amortization, and any impairment in value.

Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives of the assets:

Furniture and fixtures	2-10 years	Building (Clubhouse/cenacle)	50 years
Heavy equipment	10 years	Building improvements	50 years
Images	5-50 years	Welcome arch	15 years
Tools and equipment	5 years	Road	10 years
Leasehold improvements	shorter of lease term and useful life of 5 years	Road improvements	10 years
		Transportation equipment	10 years

An asset is depreciated or amortized when it is available for use until it is derecognized even if during that period the item is idle. Fully depreciated/amortized assets still in use are retained in the financial statements.

The estimated useful lives, and the depreciation and amortization methods are reviewed when an indication that the expected pattern of consumption of economic benefits associated with an item of property and equipment has significantly changed. When an expectation differs, the useful lives, and the depreciation and amortization methods are changed to reflect the new pattern of consumption. This change is accounted for as a change in accounting estimate.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than the estimated recoverable amount.

When an item of property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation and amortization, and any impairment in value are removed from the accounts and any resulting gain or loss arising from the disposal, computed as the difference between the sales proceeds and the carrying amount of the asset, or retirement of an asset is recognized in profit or loss.

2.7 Impairment of non-financial assets

An assessment is made at each financial reporting date if there is any indication of impairment of any asset, or if there is any indication that an impairment loss previously recognized for an asset may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

Among others, the factors that the Company considers important which could trigger an impairment review include the following:

- significant or prolonged decline in fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

If any such indication exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and an impairment loss is recognized in profit or loss in the period in which it arises. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss. After such reversal, the depreciation or amortization expense is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining life.

2.8 Input Value-Added Tax (VAT)

Input VAT is recognized at cost less allowance for impairment, if any.

2.9 Accrued expenses and other payables

Accruals are liabilities for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the suppliers. It is necessary to estimate the amount or timing of accruals. However, the uncertainty is generally much less than for provisions.

Other payables are recognized in the period in which the related money, goods or services are received or when a legally enforced claim against the Company is established. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

2.10 Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

The Company's ordinary shares are classified as equity instruments. Share capital is determined using the par value of shares that have been issued. Incremental costs incurred directly attributable to the issuance of new shares are recognized as a deduction from equity, net of tax.

Share premium represents the premium received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings (Deficit) includes all current and prior period results of operations of the Company as disclosed in the statements of comprehensive income (loss) and statements of changes in equity (capital deficiency).

2.11 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

In addition, the following specific recognition criteria must also be met before interest income is recognized:

Interest income earned on bank deposit, which is presented net of tax withheld by bank, is recognized as the interest accrues on a time proportion basis taking into account the effective yield on the asset or EIR.

Other income is recognized when there is an incidental economic benefit, other than from the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be reliably measured.

2.12 Expense recognition

The financial statements are prepared on accrual basis of accounting. Under this basis, expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate.

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured.

They are recognized (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under PFRS 16, a lease exists where the contract grants the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an identified asset for a period of time is conveyed when the customer has both of the following throughout the period of use:

- i. The right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. The right to direct the use of the identified asset.

In identifying the leases, lease and some non-lease components shall be accounted separately under applicable standards.

Company as a lessee

For lessees, PFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statements of financial position, with certain exemptions allowed:

- i. Short-term leases (twelve months or less); and
- ii. Leases where the underlying asset, in a new condition, is of low value.

The Company does not recognize right-of-use asset and lease liability considering that the term of its lease agreement is not more than 12 months.

2.14 Employee benefits

Short-term benefits

Short-term benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

2.15 Provisions and contingencies

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is charged against profit or loss, net of any reimbursement. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the Company's financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the Company's financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

2.16 Income taxes

Provision for income tax represents the sum of the current and deferred taxes.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, determined at the end of every quarter, subject to adjustments at the end of the period when a final adjustment return is filed and the corresponding annual income tax is computed and determined to be recovered or paid.

The tax currently payable is based on taxable income for the period. Taxable income differs from net income (loss) as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the financial reporting date.

Deferred tax

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

Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences while deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each financial reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of all or part of the deferred tax assets to be utilized.

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

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

2.17 Related parties

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

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

Related parties may be individuals or corporate entities. The key management personnel of the Company are also considered to be related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.18 Events after the financial reporting date

Post year-end events up to the date the financial statements are authorized for issue by the BOD that provide additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the accompanying financial statements in accordance with PFRSs requires the Company's management to make judgments and estimates that affect the application of accounting policies, reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

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

(a) Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine Peso.

The Company considers the following factors in determining its functional currency:

- i. the currency that mainly influences its sale of services and the cost of providing the same;
- ii. the currency in which the funds from financing activities are generated; and
- iii. the currency in which the receipts from operating activities are usually retained.

(b) Classifying financial instruments

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and guidelines set by PAS 32 on the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, generally governs its classification in the statement of financial position.

The classification of financial assets and financial liabilities is set out in Note 4.

(c) Significant increase of credit risk

ECL is measured as an allowance equal to 12-month ECL or lifetime ECL. An asset moves to the next stage when its credit risk has increased significantly since initial recognition. PFRS 9

does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(d) Determining lease term

The Company has entered into lease agreements both as a lessor and as a lessee. As a lessor, the Company has retained all the significant risks and rewards of ownership of the leased property, and thus it accounted for the lease agreements as operating leases.

As a lessee, the Company determines whether there is a need to recognize right-of-use asset and lease liability - on-balance sheet lease under PFRS 16. Judgment is used in determining whether the lease terms will not go beyond twelve months and if it contains underlying assets of low value. In making such judgment, the Company evaluates the terms and conditions of the lease arrangement.

(e) Distinguishing between provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions are discussed in Note 2.15. The Company has determined that no contingencies will materially affect its financial statements, hence, no provisions were recognized in 2023 and 2022.

Estimates and assumptions

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

(a) Estimating loss allowance for ECL

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In addition to specific allowance against individually significant loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This level of allowance is based on the status of the accounts receivable, past collection experience and other factors that may affect collectability.

There is no allowance for impairment recognized on the Company's receivables as at December 31, 2023 and 2022 (see Notes 6 and 10).

(b) Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, and technological obsolescence on the use of these assets. In addition, the estimate of the useful lives of property and equipment is based on collective assessment of

industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would decrease the total assets and increase recorded expenses.

The net carrying value of property and equipment amounted to **₱473,471,221** and **₱483,886,367** as at December 31, 2023 and 2022, respectively. Accumulated depreciation and amortization amounted to **₱61,136,101** and **₱47,560,107** as at December 31, 2023 and 2022, respectively (see Note 7). There is no change in the estimated useful lives of these assets in 2023 and 2022.

(c) Recognizing deferred tax assets

Management reviews the carrying amount of deferred tax assets at each financial reporting date and reduces the same to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of all or part of the deferred tax asset to be utilized.

Management believes that there is no assurance that sufficient future taxable income will be generated to allow the benefit of all or part of the deferred tax asset to be utilized, thus, the deferred tax assets on NOLCO and MCIT amounting to **₱19,717,114** and **₱14,566,950** as at December 31, 2023 and 2022, respectively, was not recognized (see Note 15).

NOTE 4 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The following table shows the carrying values of the Company's financial assets and financial liabilities as at December 31:

	2023	2022
<i>Financial assets</i>		
Cash (Note 5)	₱ 3,330,334	₱ 8,220,962
Receivables (Note 6)*	500	43,999
Other current assets	64,215	-
Advances to related party (Note 10)	1,042,011	1,042,011
	₱ 4,437,060	₱ 9,306,972
	2023	2022
<i>Financial liabilities</i>		
Accrued expenses and other payables (Note 9)**	₱ 101,782,788	₱ 79,090,620
Rental deposits	600,000	-
Advances from related parties (Note 10)	280,853,889	496,446,519
	₱ 383,236,677	₱ 575,537,139

* *except advances to employees*

** *except government liabilities*

The above carrying amounts of financial assets and financial liabilities, which are carried at amortized cost, are assumed to approximate their fair values due to their relatively short-term maturities and their being subject to an insignificant risk of changes in value.

None of the Company's financial assets has been pledged as collateral for liabilities or contingent liabilities.

The item of income with respect to financial instrument recognized in profit or loss is as follows:

	2023	2022
Interest income (Note 5)	₱ 731	₱ 670

As stated in Note 2.5, the disclosure of fair value is not required when the carrying amount is a reasonable approximation of fair value.

Financial risk management

The Company's activities expose it to a variety of financial risks, namely (a) credit risk, (b) liquidity risk, and (c) interest rate risk.

Similar to all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further, quantitative information in respect of these risks is presented throughout these financial statements.

There have been no significant changes to the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to the unpredictability of financial markets.

The main risks arising from the Company's use of financial instruments are summarized as follows:

Credit risk

Credit risk is the risk where a counterparty defaults on its obligation to the Company, thus, resulting in a financial loss to the Company.

The Company's maximum exposure to credit risk is equal to the carrying amount of the financial assets as shown on the face of the statement of financial position or in the detailed analysis provided for in the notes to the financial statements. Such financial instruments pertain to the following:

	2023	2022
Cash in banks (Note 5)	₱ 3,290,334	₱ 8,180,962
Receivables (Note 6)*	500	43,999
Other current assets	64,215	-
Advances to related party (Note 10)	1,042,011	1,042,011
	₱ 4,397,060	₱ 9,266,972

**except advances to employees*

These financial assets are neither past due nor impaired and viewed by management as "high grade" considering their collectability and the credit history of the counterparties.

The evaluation of the credit quality of the Company's financial assets considers the payment history of the counterparties.

- a) High grade - counterparties that have good paying history and are not expected to default in settling their obligations. Credit exposure from these financial assets is considered to be minimal.
- b) Standard grade - counterparties for which sufficient credit history has not been established.

Liquidity risk

Liquidity risk pertains to the Company not being able to meet its financial obligations as they fall due.

The liquidity gap will be covered by drawings pursuant to a credit line agreement between Abacore Capital Holdings, Inc. and Philippine Business Bank. The credit line is for the exclusive use in the construction of facilities for Montemaria project. Under the said agreement, the Company may draw an amount not exceeding P100 million. The said amount shall be available from time to time and for such purposes as may be approved by the bank. The credit line is a revolving and continuing credit line. All drawings and availments under the credit line shall be evidenced by a promissory note which will contain such terms and conditions as the interest rate, payment period and default penalty on past due obligation. The agreement contains the standard provisions on default.

The Company's financial liabilities as at December 31 are presented below.

2023				
	< 6 months	6-12 months	> 1 year	Total
Accrued expenses and other payables (Note 9)**	₱ 1,319,046	₱100,463,742	₱ -	₱101,782,788
Rental deposits			600,000	600,000
Advances from related parties (Note 10)	-	-	280,853,889	280,853,889
	₱ 1,319,046	₱100,463,742	₱281,453,889	₱383,236,677
2022				
	< 6 months	6-12 months	> 1 year	Total
Accrued expenses and other payables (Note 9)**	₱ 1,304,817	₱ 77,785,803	₱ -	₱ 79,090,620
Advances from related parties (Note 10)	-	-	496,446,519	496,446,519
	₱ 1,304,817	₱ 77,785,803	₱496,446,519	₱575,537,139

**except government liabilities

Interest rate risk

Interest rate risk is usually classified between cash flow and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The primary source of the Company's interest rate risk relates to cash in banks. The interest rate on cash in banks is disclosed in Note 5. The Company maintains its cash deposits in established universal and commercial banks to manage credit risk.

Interest income on cash in banks amounted only to **₱ 731** and **₱ 670** in **2023** and 2022, respectively, thus, the Company does not have significant exposure to interest rate risk.

Capital management

The primary objective of the Company's capital management is to ensure its ability to continue as going concern and that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value. The President has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Debt-to-equity ratio as at December 31, 2023 and 2022 is 2.69 and (16.50), respectively.

The Company is not subject to externally-imposed requirement.

NOTE 5 - CASH

The account at December 31 consists of:

	2023	2022
Cash in banks	₱ 3,290,334	₱ 8,180,962
Petty cash	40,000	40,000
	₱ 3,330,334	₱ 8,220,962

Cash in banks pertain to current accounts maintained by the Company which earn an interest of 0.5%. Interest income earned by the Company in **2023** and 2022 amounted to **₱731** and **₱670**, respectively.

NOTE 6 - RECEIVABLES

The account at December 31 consists of:

	2023	2022
Advances to employees	₱ -	₱ 5,000
Other receivables	500	43,999
	₱ 500	₱ 48,999

Other receivables are cash advances subject to liquidation.

Advances to employees pertain to salary loans which are interest free and deductible every payroll period.

NOTE 7 - PROPERTY AND EQUIPMENT
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The details and movements of this account are as follows:

	2023		
	January 1	Additions (Note 13)	December 31
COST			
Furniture and fixtures	₱ 2,499,598	₱ -	₱ 2,499,598
Heavy equipment	12,728,832	213,857	12,942,689
Tools and equipment	219,304	-	219,304
Leasehold improvements	127,544	-	127,544
Building	481,047,975	-	481,047,975
Building improvements	3,983,205	188,994	4,172,199
Building improvements - MOAA	1,016,773	1,189,247	2,206,020
Images	15,107,143	-	15,107,143
Road	9,531,279	-	9,531,279
Road improvements	2,034,773	-	2,034,773
Welcome arch	2,309,012	-	2,309,012
Transportation equipment	841,036	1,568,750	2,409,786
	₱ 531,446,474	₱ 3,160,848	₱ 534,607,322

ACCUMULATED DEPRECIATION	January 1	Provisions	Adjust	December
Furniture and fixtures	₱ 2,465,629	₱ 9,957	₱ -	₱ 2,475,586
Heavy equipment	8,798,277	1,275,356		10,073,633
Tools and equipment	219,304			219,304
Leasehold improvements	127,544			127,544
Building	21,182,022	9,620,960		30,802,982
Building improvements	594,633	81,604	159	676,396
Building improvements - MOAA	6,039	31,597	(159)	37,477
Images	2,682,143	300,000		2,982,143
Road	8,022,159	953,127		8,975,286
Road improvements	1,511,345	203,477		1,714,822
Welcome arch	1,298,518	153,934		1,452,452
Transportation equipment	652,494	945,982		1,598,476
	47,560,107	13,575,994	-	61,136,101
Net carrying amount	₱ 483,886,367	₱ (10,415,146)	₱ -	₱ 473,471,221

	2022		
	January 1	Additions (Note 13)	December 31
COST			
Furniture and fixtures	₱ 2,499,598	-	₱ 2,499,598
Heavy equipment	12,728,832	-	12,728,832
Tools and equipment	219,304	-	219,304
Leasehold improvements	127,544	-	127,544
Building	481,047,975	-	481,047,975
Building improvements	3,778,705	204,500	3,983,204.95
Building improvements - MOAA	-	1,016,773	1,016,773
Images	15,107,143	-	15,107,143
Road	9,531,279	-	9,531,279
Road improvements	2,034,774	-	2,034,773
Welcome arch	2,309,012	-	2,309,012
Transportation equipment	841,036	-	841,036
	530,225,202	1,221,273	₱531,446,474

ACCUMULATED DEPRECIATION	January 1	Provisions	Adjustm	December 31
Furniture and fixtures	2,416,896	48,733		2,465,628.85
Heavy equipment	7,528,741	1,272,884	(3,348)	8,798,277
Tools and equipment	219,304	-		219,304
Leasehold improvements	127,544	-		127,544
Building	11,454,878	9,620,960	106,184	21,182,022
Building improvements	515,221	76,070	3,342	594,633
Building improvements - MOAA	-	6,039		6,039
Images	2,382,143	300,000		2,682,143
Road	7,148,459	873,700		8,022,159
Road improvements	1,288,952	203,477	18,916	1,511,345
Welcome arch	1,118,387	153,934	26,198	1,298,518
Transportation equipment	329,280	161,607	161,607	652,494
	34,529,805	12,717,404	316,247	47,560,107
Net carrying amount	₱ 495,695,397	(11,496,131)	316,247	₱483,886,367

On December 26, 2013, the Company entered into a Deed of Absolute Sale with Omnicor for the purchase of properties such as Welcome Arch, Building/Field Office, Road, and Face and Hands of the Blessed Virgin Mary for a total consideration of ₱59,171,280.

By virtue of Deeds of Usufruct executed on June 24, 2014 and November 19, 2014, the Company was granted usufructuary rights over the specific portions of the parcels of land owned by Montemayor Aggregates and Mining Corporation, HIM Management and Associates, Inc. and Omnicor on which the Company has constructed improvements. The period of the usufruct is for three years, which may be extended by mutual agreement with the landowners, the Company being granted the exclusive right to terminate the usufruct, as well as the option to acquire the pertinent portion of the land at fair market value in exchange for shares. The said landowners have likewise executed an undertaking to respect the use of said properties by the members/shareholders of the Company in the event of any dispute between them and the Company.

Management has expressed inclination to further extend the said usufructs for a longer period. Management will be proposing the said extension to the BOD as soon as it is able to convene after the community quarantine.

NOTE 8 - INPUT VAT

The input VAT amounting to **₱47,915,531** and **₱47,606,321** as at December 31, 2023 and 2022, respectively, will be applied against output VAT in the future periods when the Company starts its commercial operations.

NOTE 9 - ACCRUED EXPENSES AND OTHER PAYABLES

The account at December 31 consists of:

	2023	2022
Accrued expenses	₱ 1,319,046	₱ 1,304,817
Accounts payable	2,568,742	850,803
Service charge payable	-	-
Government liabilities	20,597	51,215
Other payables	97,895,000	76,935,000
	₱ 101,803,385	₱ 79,141,835

Accrued expenses include accrual of rent, security and agency fees, repairs and maintenance, utilities, professional fees and supplies.

Accounts payable pertains to the Company's liabilities to suppliers.

Government liabilities consist of expanded withholding taxes, and SSS, HDMF and Philhealth premiums for remittance.

Other payables consist mainly of partial payments on offered shares based on memorandum of agreements with the buyers.

NOTE 10 - RELATED PARTY TRANSACTIONS

Related party transactions consist of non-interest bearing advances to/from related parties for working capital requirements and other related expenses which will be liquidated either through cash or equity shares of the borrower. Advances to related party are due and collectible upon demand. For advances from related parties, the Company has unconditional right to defer payment for at least a year. There are no guarantees received or given during the year.

The summary of the Company's transactions with related parties in the normal course of business are as follows:

Related party	Nature of relationship	Outstanding balance		Transactions		Terms and conditions
		2023	2022	2023	2022	
<i>Advances to related party</i>						
Verde Island						
Passage (VIP)						No term,
Marine						non-interest
Sanctuary, Inc.	Under common directorship	₱1,042,011	₱1,042,011	₱-		bearing,
Allowance for impairment		-	-	-		₱- unsecured
		₱1,042,011	₱1,042,011	₱-		₱-

Advances from related parties

Omnikor	Under common directorship	₱279,120,932	494,713,562	(215,592,630)	(12,143,000)	Non-interest bearing, unsecured
Abacus Global Technovisions, Inc.	Under common directorship	1,732,957	1,732,957	-	(200,000)	Non-interest bearing, unsecured
		₱280,853,889	₱496,446,519	(215,592,630)	₱(12,343,000)	

NOTE 11 - SHARE CAPITAL AND SHARE PREMIUM

The accounts at December 31, 2023 and 2022 consist of:

Share capital

	Number of shares	Amount
Authorized		
Proprietary - at ₱10,000 per share	15,000	₱ 150,000,000
Associate - at ₱1,000 per share	50,000	50,000,000
	65,000	₱ 200,000,000

	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Contributed capital				
Proprietary - at ₱10,000 per share				
At January 1	6,586	₱ 65,860,000	6,585	₱65,850,000
Additional issuance of shares	2,857	28,570,000	1	10,000
Balance at December 31	9,443	94,430,000	6,586	65,860,000
Associate - at ₱1,000 per share				
At January 1	20,895	20,895,000	20,895	20,895,000
Additional issuance of shares	-	-	-	-
Balance December 31	20,895	20,895,000	20,895	20,895,000
	30,338	₱115,325,000	27,481	₱86,755,000

Share premium

	2023	2022
At January 1	₱ 48,400,650	₱ 48,400,650
Additions*	169,420,100	-
At December 31	₱ 217,820,750	₱ 48,400,650

In a special stockholders' meeting held on May 14, 2015, the BOD secured the consent and approval of the stockholders of the amendment of Article Seventh of the Articles of Incorporation increasing the authorized capital stock from 7,500 to 15,000 proprietary shares with issue value of ₱10,000 per proprietary share and 30,000 to 50,000 associate shares with issue value of ₱1,000 per associate share.

The amount of increase of authorized capital stock is ₱95,000,000, thereby increasing the authorized capital stock from ₱75,000,000 to ₱150,000,000 for proprietary shares and from ₱30,000,000 to ₱50,000,000 for associate shares.

Of the said increase, the amount of ₱23,750,000 was subscribed and fully paid in cash by Omnicor and was approved by the SEC on July 28, 2015.

During 2020, the Company issued 280 proprietary shares for ₱28,000,000, resulting in recognition of share premium of ₱24,920,000 (net of ₱280,000 share issuance cost). Of the ₱28,000,000 subscriptions, ₱25,000,000 has been received in cash and ₱3,000,000 has been offset against Other payables (see Note 9). In 2021, the Company issued 1 proprietary share for ₱35,000, resulting in recognition of share premium of ₱33,650 (net of ₱350 share issuance cost).

A subscription agreement for ₱199,990,000 was executed between Montemaria Asia Pilgrims, Inc. and Omnicor Industrial Estate and Realty Center, Inc. on January 31, 2023 to convert a portion of the debt into equity in Montemaria resulting in recognition of share premium of ₱169,420,100 (net of ₱1,999,900 documentary stamp taxes).

NOTE 12 - OTHER INCOME

Other income pertains to income earned by the Company from photo shoots and rental of venue/audio equipment made at the Montemaria site.

NOTE 13 - EXPENSES

This account consists of:

	2023	2022
Depreciation and amortization (Note 7)	₱ 13,575,994	₱ 13,030,303
Salaries, wages and allowances	1,737,019	1,185,200
Security services	1,573,708	3,017,599
Janitorial & maintenance services	861,602	-
Insurance	845,600	86,050
Professional fees	725,136	403,987
Taxes and licenses	577,215	5,680
Heat, light and power	464,282	696,718
Directors' fees	325,439	154,386
13th month pay and bonuses	237,833	198,700
Rent (Note 14)	214,286	214,286
Representation	175,316	194,415
Other expenses	163,460	80,104
Fuel, oil and lubricants	152,676	158,618
SSS, Philhealth and HDMF contributions	138,116	91,378
Repairs and maintenance	136,908	63,925
Separation pay benefits	110,769	-
Postage, telephone and communication	95,296	85,448
Commission	91,850	239,500
Outside services	50,000	30,400
Office supplies	41,986	41,779
Transportation and travel	29,328	9,983
Advertising	9,000	1,737,623
	₱ 22,332,819	₱ 21,726,082

NOTE 14 - LEASE

The Company is a lessee under a non-cancellable lease agreement covering its office space in Kumintang Ibaba, Batangas with a monthly rent of ₱20,000, inclusive of VAT. The lease commenced upon signing of the contract and shall remain in full force and effect for a term of one year with a renewal option unless sooner terminated or in the event of the sale of the property to a third party, renewable upon mutual agreement of the parties. There is no sub-lease, escalation rate, purchase options and restrictions imposed by the lease agreement.

Rent expense amounted to ₱214,286 in 2023 and 2022 (see Note 13).

NOTE 15 - INCOME TAXES

Domestic corporations are subject to regular corporate income tax (RCIT) of 30% pursuant to RA No. 9337. The regulations also provide for minimum corporate income tax (MCIT) of 2% on modified gross income and allow a net operating loss carryover (NOLCO). The MCIT and NOLCO may be applied against the Company's income tax liability and taxable income, respectively, for the three immediately succeeding taxable years. MCIT is recognized when it is higher than the RCIT.

On March 26, 2021, President Rodrigo Duterte signed into law Republic Act (RA) No. 11534, also known as “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE” Act which reduced the corporate income tax rates and rationalized the current tax incentives system by making it time bound, targeted and performance based. CREATE Act introduces reforms in the areas of corporate income tax, VAT and tax incentives, aside from providing COVID-19 reliefs to taxpayers.

Effective July 1, 2020, domestic corporations with total assets not exceeding P100 million and taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% income tax rate. The MCIT rate is reduced from 2% to 1% from July 1, 2020 to June 30, 2023.

Provision for income tax represents the MCIT for the year amounting to ₱33,844.

A reconciliation of income tax benefit computed at the statutory income tax rate to effective income tax expense (benefit) as shown in profit or loss is as follows:

	2023	2022
Loss before income tax	(₱20,639,866)	(₱21,658,412)
Income tax benefit calculated at the statutory income tax rate of 25%	(₱5,159,966)	(₱5,414,603)
Adjust for tax effect of:		
Non-deductible expense	43,829	48,604
Share issuance cost directly charged to equity	-	-
Interest income subject to final tax	(183)	(168)
Effective income tax expense (benefit)	(₱5,116,320)	(₱5,366,167)

Effective July 2008, RA No. 9504 was approved giving corporate taxpayers an option to claim itemized deductions or optional standard deduction equivalent to 40% of gross income. Once the option is made, it shall be irrevocable for the taxable year for which the option was made. The Company opted to continue claiming itemized deductions for the years ended December 31, 2023 and 2022.

The details of the Company's NOLCO prior to 2020 and for years 2023 and 2022 are presented below:

Year incurred	Amount	Expired	Unapplied	Expiry year
2023	₱ 20,465,280	₱ -	₱ 20,465,280	2026
2022	21,464,667		21,464,667	2025
2019	16,040,844	16,040,844		2022
2018	18,872,162	18,872,162	-	2021
	₱ 76,842,953	₱ 34,913,006	₱ 41,929,947	

Pursuant to the provisions of Section 244 of the National Internal Revenue Code, as amended, Revenue Regulations (RR) No. 25-2020 dated September 30, 2020 was promulgated to implement Section 4 (bbbb) of RA No. 11494, otherwise known as Bayanihan to Recover as One Act, that allows taxpayers which incurred net operating loss for taxable years 2021 and 2022 to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss, which can be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss unless otherwise disqualified from claiming the deduction.

Presented below are the details of the NOLCO incurred by the Company in 2021 and 2020:

Year incurred	Amount	Expiry date
2021	₱17,892,075	2026
2020	₱18,881,695	2025
	₱36,773,770	

Details of MCIT are as follows:

Year incurred	Amount	Expired	Unapplied	Expiry year
2023	₱ 33,844	₱ -	₱ 33,844	2026
2020	7,341	-	7,341	2025
2019	75,221	75,221	-	2022
2018	35,799	35,799	-	2021
	₱ 152,205	₱ 111,020	₱ 41,185	

No deferred tax assets were recognized by the Company on its NOLCO and MCIT because the management believes that future taxable profit would not be available against which these temporary differences can be utilized. Unrecognized deferred tax assets amounted to **₱19,717,114** and **₱14,566,950** as at December 31, 2022 and 2021, respectively.

Movements of income tax payable are as follows:

	2023	2022
Balance at January 1	₱ -	₱ -
Provision (Benefit)	-	-
Income tax paid	-	-
Balance at December 31	₱ -	₱ -

NOTE 16 - OTHER MATTERS

a. COVID-19 outbreak

The COVID-19 pandemic has severely impacted the economy as businesses are forced to cease or minimize operations. Measures taken by the government to contain the spread of the virus include quarantines, social distancing and closure of non-essential services, among others. These measures do not have a significant impact on the Company since it only incurs minimal expenses.

Considering the evolving nature of this outbreak, its duration and impact remain unclear at this time which makes it not possible to reliably estimate its effect on the financial position and results of operations of the Company for the rest of 2024 and even periods thereafter. The Company will continue to monitor the situation and the outbreak's near-term and longer effects.

NOTE 17 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below is the supplementary information which is required by the BIR under its existing RR to be disclosed as part of the notes to financial statements in addition to the disclosures mandated under PFRSs.

A. REVENUE REGULATIONS NO. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2023:

- 1. The Company does not have gross receipts subject to VAT for the year, hence there is no output tax declared and paid during the year.**
- 2. The amount of input VAT claimed**

The amount of input VAT claimed is broken down as follows:

a. Balance at beginning of year	₱47,606,320
b. Current year's purchases	
- Domestic purchases of goods other than capital goods	190,425
- Domestic purchase of services	118,786
c. Input VAT claimed during the year	-
d. Balance at end of year	<u>₱47,915,531</u>

3. The schedule of taxes and licenses paid during the year

a. Local

Business permits	₱ 63,875
Community Tax Certificate	500
Real property tax	505,520
Others	3,810
	<u>₱ 573,705</u>

b. National

BIR annual registration fee	₱ 500
Others	3,010
	<u>₱ 3,510</u>

4. The amounts of withholding taxes paid/accrued during the year

Expanded withholding tax	₱ 135,785
Tax on compensation and benefits	83,802
	<u>₱ 219,587</u>

5. Deficiency tax assessments and tax cases

As of December 31, 2023, the Company has neither pending tax court cases nor tax assessment notices from the BIR issuances which must form part of the notes to the financial statements.

B. REVENUE REGULATIONS NO. 19-2011

RR No. 19-2011 issued on December 9, 2011 requires the disclosure of the schedules of taxable revenues, cost of sales/services, non-operating and taxable other income, itemized deductions, taxes and licenses and other significant tax information in the notes to financial statements.

Following are the required schedules for the taxable year ended December 31, 2023 in compliance with the said revenue issuances:

1. Revenue

The Company does not have revenue during the taxable year.

2. Cost of services

The Company has not incurred any cost of services during the taxable year.

3. Other taxable income not subjected to final tax

The Company does not have other income not subjected to final tax during the taxable year.

4. Ordinary allowable itemized deductions

Depreciation	₱ 13,575,994
Salaries, wages and allowances	1,974,852
Taxes and licenses*	577,215
SSS, Philhealth, HDMF and other contributions	138,116
Transportation and travel	29,328
Others:	
Security services	1,573,708
Professional fees	725,136
Heat, light and power	464,282
Fuel, oil and lubricants	152,676
Directors' fees	325,439
Outside services	50,000
Repairs and maintenance	136,908
Miscellaneous	2,433,848
	₱ 22,157,502

5. Taxes and licenses

The details of taxes and licenses are disclosed in section A of this note.

Valdes Abad & Company

(Formerly: Valdes Abad & Associates)

certified public accountants

CJV Building 108 Aguirre
Street, Legaspi Village,
Makati City, Philippines

Branches:

Cebu and Davao

Phone: (632) 8892-5931 to 35

(632) 8519-2105

Fax: (632) 8819-1468

E-mail: cmegroup@vacocpa.com.ph

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



The Board of Directors

MONTEMARIA ASIA PILGRIMS, INC.

Alpa Hotel Tolentino Road,
Kumintang Ibaba, Batangas City

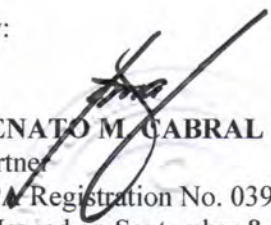
We have examined the financial statements of **MONTEMARIA ASIA PILGRIMS, INC.** for the year then ended December 31, 2023 and 2022 on which we have rendered the attached report dated March 15, 2024.

In compliance with SRC Rule 68, we are stating that the said company has a total number of four (4) stockholders owning one hundred (100) or more shares each.

Very truly yours,

VALDES ABAD & COMPANY, CPAS
201-130-974

By:


RENATO M. CABRAL
Partner

CPA Registration No. 039861

Issued on September 8, 2020

Valid until September 7, 2023

TIN 103-175-544

PTR No. 10081735

Issued on January 8, 2024, Makati City

BOA/PRC Reg. No. 0314

Issued on July 29, 2021

Valid until July 14, 2024

BIR Accreditation no. 08-002126-4-2021

Issued on March 19, 2021,

Valid until March 18, 2024

Makati City, Philippines
March 15, 2024

Valdes Abad & Company

(Formerly: Valdes Abad & Associates)

certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

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member
an association of
legally independent
accounting firms
partnering for success

REPORT OF INDEPENDENT AUDITOR ON SUPPLEMENTARY SCHEDULES

The Board of Directors

MONTEMARIA ASIA PILGRIMS, INC.

Alpa Hotel Tolentino Road,
Kumintang Ibaba, Batangas City

We have audited the accompanying financial statements of **MONTEMARIA ASIA PILGRIMS, INC.**, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for the purpose of complying with the Securities Regulation Code Rule 68 (series of 2019) and are not part of the financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the financial statements taken as a whole.

VALDES ABAD AND COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 29, 2021, Valid until July 14, 2024

SEC Accreditation No. 0314-SEC, Group A

Issued on November 29, 2022, Valid from 2022-2026

BIR Accreditation No. 08-002126-000-2021

Issued on March 19, 2021, Valid until March 18, 2024

For the firm:


RENATO M. CABRAL

Partner

CPA Registration No. 039861

Issued on September 7, 2023

Valid until September 7, 2026

TIN 103-175-544

PTR No. 10081735

Issued on January 8, 2024, Makati City

BOA/PRC Reg. No. 0314

Issued on July 29, 2021

Valid until July 14, 2024

BIR Accreditation no. 08-002126-4-2021

Issued on March 19, 2021,

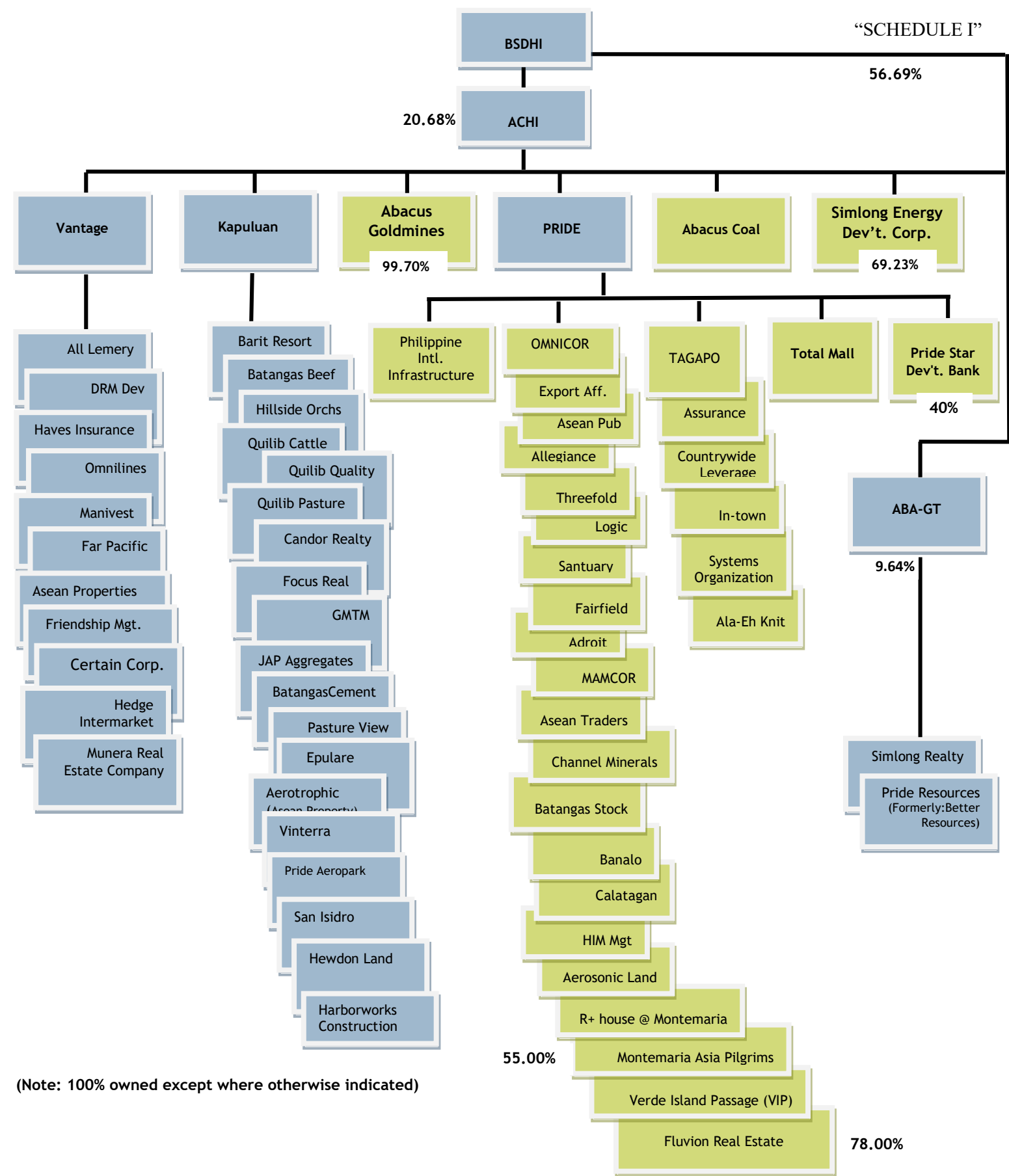
Valid until March 18, 2024

Makati City, Philippines

March 15, 2024

INDEX TO FINANCIAL STATEMENTS

- SCHEDULE I : Map showing the relationships between and among the companies in the group, its ultimate parent company and subsidiaries or co-subsidiaries and associates
- SCHEDULE II : Supplementary Schedules of Financial Statements under SRC Rule 68



(Note: 100% owned except where otherwise indicated)

MONTEMARIA ASIA PILGRIM, INC.

**Supplementary Schedules of Financial Statements Required by the Securities and
Exchange Commission for the Year Ended December 31, 2023**

TABLE OF CONTENTS

A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders	2
C	Amounts Receivable from Related Parties	3
D	Intangibles Asset - Other Asset	4
E	Long- Term Debt	NA
F	Indebtedness to Related Parties (Long-term loans from related companies)	5
G	Guarantees of Securities of Other Issuers	NA
H	Capital Stock	6
I	Financial Soundness Indicators	7
J	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	NA - Not Applicable	

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE A - FINANCIAL ASSETS
December 31, 2023

Name of Issuing Entity/ Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value Based on Market Quotations at December 31, 2023	Income Received and Accrued
Cash	N/A	₱ 3,330,334	₱ 3,330,334	Interest Income ₱ 731
Receivables	N/A	500	500	N/A
Advances to related party	N/A	1,042,011	1,042,011	N/A
Total		₱ 4,372,845	₱ 4,372,845	₱ 731

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES
December 31, 2023

Name and designation of debtor	Beginning balance	Additions	DEDUCTIONS		Current	Non- current	Ending balance
			Amounts collected	Amounts written off			
Persincula, Reymundo	P 5,000	P -	P 5,000	P -	P -	P -	P -
Imelda G. Cabello	41,369	-	41,369	-	-	-	-
Erwin L. Abion	2,631	-	2,631	-	-	-	-
Bryan Christopher Derla	-	500	-	-	500	-	500
Total	P 48,999	P 500	P 48,999	P -	P 500	P -	P 500

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES

December 31, 2023

Name of Affiliates	Beginning balance	Additions	DEDUCTIONS		Current	Non- current	Ending balance
			Amounts collected	Amounts written off			
Verde Island Passage (VIP)	₱ 1,042,011	₱ -	₱ -	₱ -	₱ 1,042,011	₱ -	₱ 1,042,011
Total	₱ 1,042,011	₱ -	₱ -	₱ -	₱ 1,042,011	₱ -	₱ 1,042,011

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS

December 31, 2023

Classification	Beginning Balance	Additions at cost	Charged to cost and expenses	Other changes - Additions (deductions)	Ending Balance
A. INTANGIBLE ASSETS	₱ -	₱ -	₱ -	₱ -	₱ -
B. OTHER ASSETS					
Input vat	47,606,320	309,211	-	-	47,915,531
Total	₱ 47,606,320	₱ 309,211	₱ -	₱ -	₱ 47,915,531

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES

December 31, 2023

Name of Affiliates	Beginning balance	Additions	DEDUCTIONS		Current	Non- current	Ending balance
			Amounts collected	Amounts written off			
Omnikor Industrial Estate & Realty Center, Inc.	₱ 494,713,562	₱ -	₱215,592,631	₱ -	₱ -	₱279,120,932	₱ 279,120,932
Abacus Global Technovisions, Inc.	1,732,957	-	-	-	-	1,732,957	1,732,957
Total	₱ 496,446,519	₱ -	215,592,631	₱ -	₱ -	₱ 1,732,957	₱ 280,853,889

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE H - CAPITAL STOCK

December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Proprietary shares	15,000	9,443	-	8,515	15	913
Associate shares	50,000	20,895	-	19,996	11	888
Total	65,000	30,338	-	28,511	26	1,801

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS

December 31, 2023

		<u>2023</u>		<u>2022</u>	
Current ratio:	Current assets	4,437,060	0.01	9,311,971	0.02
	Current liabilities	383,257,274		575,588,354	
Solvency ratio:	Cash + Accounts receivable	3,330,834	0.01	8,269,960	0.01
	Current liabilities	383,257,274		575,588,354	
Debt to equity ratio:	Total liabilities	383,257,274	2.69	575,588,354	(16.55)
	Total equity	142,566,538		(34,783,695)	
Assets to equity:	Total assets	525,823,812	3.69	540,804,659	(15.55)
	Total equity	142,566,538		(34,783,695)	
<u>Profitability ratio:</u>					
Return on assets:	Net loss	(20,639,866)	(0.04)	(21,658,412)	(0.04)
	Total assets	525,823,812		540,804,659	
Return on Equity:	Net loss	(20,639,866)	(0.14)	(21,658,412)	0.62
	Total Equity	142,566,538		(34,783,695)	

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE J - RECONCILIATION OF RETAINED EARNINGS

(In Philippine Peso)

December 31, 2023

Unappropriated Retained Earnings, beginning	(169,939,345)
Adjustments: Prior year's fair value adjustments of Investment Property resulting to gain	-
Unappropriated Retained Earnings (deficit), as adjusted, beginning	(169,939,345)
Net income/(loss) based on the face of AFS	(20,639,866)
Less: Non-actual/unrealized income (net of tax)	
Equity in net income of associate/joint venture	-
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-
Unrealized actuarial gain	-
Fair value adjustment (Market to Market gains)	-
Fair value adjustment of Investment Property resulting to gain	-
Adjustment due to deviation from PFRS/GAAP -gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	-
Adjustment due to deviation from PFRS/GAAP - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Loss on fair value adjustment (Market to Market loss)	-
Net income (loss) actual	(20,639,866)
Unappropriated Retained Earnings (deficit), as adjusted, ending	(190,579,211)

COVER SHEET

C	S	2	0	1	3	0	7	2	3	4
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S E C Registration Number

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(Company's Full Name)

A	L	P	A		H	O	T	E	L	,	T	O	L	E	N	T	I	N	O		R	O	A	D					
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K	U	M	I	N	T	A	N	G		I	B	A	B	A	,	B	A	T	A	N	G	A	S		C	I	T	Y	
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(Business Address : No. Street City / Town / Province)

VICENTE RAFAEL L. ROSALES

Contact Person

8724-3759/8725-7875

Company Telephone Number/s

1	2
---	---

Month

3	1
---	---

Day

Fiscal Year

INTERIM FS as of 30 Sept 2024

FORM TYPE

1	1
---	---

Month

2nd Wed

Day

Annual Meeting

SRC, Secs. 8 & 12

Secondary License Type, If Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS

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MONTEMARIA ASIA PILGRIMS, INC.
STATEMENTS OF FINANCIAL POSITION

	September 30	December 31
	2024	2023
	(Unaudited)	(Audited)
 <u>ASSETS</u>		
CURRENT ASSETS		
Cash	3,851,592	3,330,334
Receivables	-	500
Advances to affiliates	1,042,011	1,042,011
Prepaid taxes	64,215	64,215
Total current assets	4,957,818	4,437,060
NON-CURRENT ASSETS		
Property and equipment , net	468,238,666	473,471,221
Other non-current assets	48,764,090	47,915,531
Total non-current assets	517,002,755	521,386,752
TOTAL ASSETS	521,960,574	525,823,812
 <u>LIABILITIES AND EQUITY</u>		
LIABILITIES		
Accounts payable and accrued expenses	101,462,567	101,803,385
Advances from related party	288,427,933	280,853,889
Rental deposits	600,000	600,000
Total liabilities	390,490,500	383,257,274
EQUITY		
Share Capital	115,702,000	115,325,000
Share premium	221,548,750	217,820,750
Deficit	(205,780,676)	(190,579,211)
Total Equity	131,470,074	142,566,539
TOTAL LIABILITIES AND EQUITY	521,960,574	525,823,812

MONTEMARIA ASIA PILGRIMS INC.

STATEMENTS OF COMPREHENSIVE INCOME

	UNAUDITED			
	Jan.-Sept. 30 2024	Jan.-Sept. 30 2023	July-Sept. 30 2024	July-Sept. 30 2023
REVENUES				
Rental Income	-	856,200	-	856,200
Interest Income-Bank deposit	1,087	523	437	201
Other Income	287,153	345,518	108,479	64,348
	288,239	1,202,241	108,916	920,749
EXPENSES				
Depreciation	5,667,016	6,393,833	-	-
Commission	4,547,000	28,350	11,000	-
Salaries and Wages	1,348,927	1,377,689	456,691	382,351
Taxes and Licenses	558,465	9,090	2,305	-
Janitoria and Maintenance Services	781,737	439,065	375,760	199,973
Loss on disposal of equipment	368,750	-	-	-
Professional Fees	440,926	365,789	127,663	155,263
Insurance	846,430	845,600	759,000	759,000
Directors' Fees	159,942	248,246	82,749	82,749
SSS/Philhealth/HDMF Contributions	104,077	97,632	35,602	35,025
Employees Healthcare Benefits	97,224	-	97,224	-
Fuel, Oil & Lubricants	87,784	119,309	26,283	36,643
Postage, Tel. & Comm	61,332	58,015	20,444	20,339
Heat, Light & Power	53,516	418,990	19,962	30,102
Office Supplies & Others	76,628	18,302	49,032	4,032
Repairs & Maintenance	61,812	112,556	44,510	44,377
Advertising	98,000	9,000	89,000	-
Representation	5,255	34,572	3,850	8,276
Travel & Transportation	3,325	23,479	3,162	4,430
Security Services	-	1,573,708	-	-
Outside Services	15,000	50,000	15,000	50,000
Other Expenses	106,560	82,799	18,062	27,668
	15,489,705	12,306,024	2,237,299	1,840,227
Loss before income tax	(15,201,465)	(11,103,783)	(2,128,383)	(919,478)
Income tax expense				
Current	-	-	-	-
Net Income (Loss)	(15,201,465)	(11,103,783)	(2,128,383)	(919,478)
Income (Loss) per Share	(0.045)	(0.033)	(0.006)	(0.003)

MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF CHANGES IN EQUITY

	UNAUDITED		AUDITED
	September 30 2024	September 30 2023	December 31 2023
Capital Stock			
Authorized - 200,000,000			
Share capital	115,325,000	115,325,000	86,755,000
Additional issuance of share capital	377,000	-	28,570,000
Share premium	221,548,750	217,820,750	217,820,750
	337,250,750	333,145,750	333,145,750
Deficits			
Beginning balance	(190,579,211)	(169,939,345)	(169,939,345)
Correction of prior yrs profits	-	-	-
Net Income (Loss)	(15,201,465)	(11,103,783)	(20,639,866)
	(205,780,676)	(181,043,128)	(190,579,211)
Ending balance	131,470,074	152,102,622	142,566,539

MONTEMARIA ASIA PILGRIMS, INC.

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDING SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

	UNAUDITED			
	Jan.-Sept. 30 2024	Jan.-Sept. 30 2023	July-Sept.30 2024	July-Sept.30 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income/(Loss) before tax	(15,201,465)	(11,103,783)	(2,128,383)	(919,478)
Adjustment for:				
Depreciation	5,667,016	6,393,833		-
Operating income before working capital changes	(9,534,449)	(4,709,950)	(2,128,383)	(919,478)
(Increase)decrease in:				
Accounts & other receivables	500	(80,901)	500	(21,719)
Prepaid		(42,810)		(42,810)
Increase (decrease) in:				
Accrued expenses and others	(340,818)	10,300,879	327,970	(52,989)
Rental deposit		600,000		600,000
Net cash from (used in) operating activities	(9,874,767)	6,067,218	(1,799,913)	(436,996)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	(434,461)	(1,229,654)		(348,948)
Other non-current assets	(848,559)	(122,461)	(82,510)	5,175
Net cash from (used in) investing activities	(1,283,019)	(1,352,115)	(82,510)	(343,773)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from related parties	7,574,045	(207,092,631)	1,577,224	-
Paid up capital	87,000	28,570,000	-	-
Share premium	4,018,000	169,420,100	-	-
Net cash from (used in) financing activities	11,679,045	(9,102,531)	1,577,224	-
NET INCREASE (DECREASE) IN CASH	521,258	(4,387,427)	(305,199)	(780,770)
CASH, BEGINNING	3,330,334	8,220,962	4,156,791	4,614,304
CASH, ENDING	3,851,592	3,833,534	3,851,592	3,833,534

MONTEMARIA ASIA PILGRIMS, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

NOTE 1 -GENERAL INFORMATION

Montemaria Asia Pilgrims, Inc. is a non-profit, stock corporation registered with the Philippine Securities and Exchange Commission (SEC) on April 12, 2013 per SEC Registration No. CS201307234. Its primary purpose is to promote the spiritual, social, cultural, recreational and health activities of its members/stockholders, who shall be issued membership shares/certificates, particularly through the setting up, development, construction, acquisition, maintenance, operation and servicing of shrines, churches, meditation areas, retreat houses, conference centers, dormitories, amphitheatres, sports facilities, swimming pools, gardens, health spas, convention centers, multi-purpose halls and other similar facilities and to provide pilgrimage facilities and services to its members.

Its registered address is located at Alpa Hotel, Tolentino Road, Kumintang Ibaba, Batangas City.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The significant accounting policies adopted in the preparation of these financial statements are discussed in this note. These policies have been consistently applied to the years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the SEC.

Presentation of financial statements

The financial statements are presented in accordance with PAS 1 (Revised), *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive loss, with profit or loss and other comprehensive income (OCI) presented in two sections. It is required to present a statement of financial position as at the beginning of the earliest comparative period when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and said retrospective application, retrospective restatement or reclassification has a material effect on such third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

These financial statements are presented in Philippine Peso (P), which is also the Company's functional currency and all values are rounded to the nearest peso. Functional currency is the currency of the primary economic environment in which the entity operates or in which it primarily generates and expends cash while presentation currency is the currency in which the financial statements are presented.

Basis of measurement

The Company's financial statements have been prepared on historical cost basis.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Philippine peso, which is the company's functional and presentation currency. All values are rounded to the nearest peso except when otherwise indicated.

Use of judgments and estimates

The preparation of financial statements in compliance with PFRSs requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in Note 3.

2.2 Changes in accounting policies and disclosures

The accounting policies applicable and adopted in the preparation of the financial statements are consistent with those of the previous financial year, except for the adoption of new/amended standards and interpretations effective starting January 1, 2021.

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

On May 28, 2020, the Board issued COVID-19-Related Rent Concessions - Amendment to PFRS 16, *Leases*. The amendments provide relief to lessees from applying PFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under PFRS 16, if the change was not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the COVID-19 pandemic is continuing, on March 31, 2021, the Board extended the period of the application of the practical expedient to June 30, 2022.

The amendment applies to annual reporting periods beginning on or after April 1, 2021. The amendment did not have any impact on the financial statements of the Company as it has not received COVID-19-related rent concessions.

New and amended standards

The Company will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2022

- **Annual improvements to PFRS Standards 2018-2020 Cycle**

- *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's

date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- *Amendments to PFRS 9, Financial Instruments, Fees in the '10 percent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- *Amendments to PFRS 16, Lease incentives*

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The amendment to illustrative example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- *Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The above amendments are not expected to have an impact to the Company.

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

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The amendments added an exception to the recognition principle of PFRS 3, to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

The Company is still evaluating the impact of these new amendments.

- **Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before intended use***

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

- **Amendments to PAS 37, *Onerous Contracts - Cost of fulfilling a contract***

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2023

- **Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

The Company has yet to assess the impact of these amendments.

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

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input

or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

The amendments are not expected to have a material impact to the Company.

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

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact to the Company.

Effective beginning on or after January 1, 2024

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

The Company has yet to assess the impact of these amendments.

Effective beginning on or after January 1, 2025

- **PFRS 17, *Insurance Contracts***

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Company.

Deferred

- **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 the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Company has yet to assess the impact of these amendments should there be any applicable transactions and adopted when it is effective.

The management, however, expects no significant impact from the adoption of the new standard and amendments on the Company's financial position and financial performance.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current and non-current classification.

An asset is current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the financial reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial reporting period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the financial reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the financial reporting period.

The Company classifies all other liabilities as non-current.

2.4 Cash

Cash includes petty cash, cash on hand and in banks. Cash in banks, which are stated at face amount, comprise deposits held at call with banks which earn interest at the prevailing bank deposit rates and are unrestricted as to withdrawal.

2.5 Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial asset or a financial liability are initially measured at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Except for trade receivables that do not contain a significant financing component or for which the Church has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial Assets

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Classification

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at *fair value through profit or loss* unless it is measured at amortized cost or at fair value through other comprehensive income. However an entity may make an irrevocable election at initial recognition for particular investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Despite of the above classifications, an entity may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting

mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company measures a financial asset at amortized cost if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at March 31, 2023 and December 31, 2022 include cash, receivables (except for advances to employees) and advance to a related party.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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 debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have financial assets at fair value through OCI (debt instruments) as at March 31, 2024 and December 31, 2023.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have financial assets at fair value through OCI (equity instruments) as at June 30, 2024 and December 31, 2023.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have financial assets at FVPL as at June 30, 2024 and December 31, 2023 .

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Church evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Financial liabilities are classified as (a) financial liabilities at FVPL (including financial liabilities held for trading and those that are designated at fair value), and (b) other financial liabilities measured at amortized cost.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-

term profit taking. Gains and losses arising from changes in the fair value of financial liabilities classified as held for trading are included in profit or loss.

Other financial liabilities pertain to issued financial instruments that are not classified or designated at FVPL and contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities include accrued expenses and other payables (except for government liabilities) and advances from related parties.

Derecognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Classification of financial instruments between debt and equity

Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as income or expense in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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 statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

2.6 Property and equipment

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment has been put into operation, such as repairs and maintenance, are recognized in profit or loss in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard performance, the expenditures are capitalized as an additional cost of property and equipment.

At the end of each financial reporting period, items of property and equipment are carried at cost less accumulated depreciation and amortization, and any impairment in value.

Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives of the assets:

Furniture and fixtures	2-10 years	Building (Clubhouse/cenacle)	50 years
Heavy equipment	10 years	Building improvements	50 years
Images	5-50 years	Welcome arch	15 years
Tools and equipment	5 years	Road	10 years
Leasehold improvements	shorter of lease term and useful life of 5 years	Road improvements	10 years
		Transportation equipment	10 years

An asset is depreciated or amortized when it is available for use until it is derecognized even if during that period the item is idle. Fully depreciated/amortized assets still in use are retained in the financial statements.

The estimated useful lives, and the depreciation and amortization methods are reviewed when an indication that the expected pattern of consumption of economic benefits associated with an item of property and equipment has significantly changed. When an expectation differs, the useful lives, and the depreciation and amortization methods are changed to reflect the new pattern of consumption. This change is accounted for as a change in accounting estimate.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than the estimated recoverable amount.

When an item of property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation and amortization, and any impairment in value are removed from the accounts and any resulting gain or loss arising from the disposal, computed as the difference between the sales proceeds and the carrying amount of the asset, or retirement of an asset is recognized in profit or loss.

2.7 Impairment of non-financial assets

An assessment is made at each financial reporting date if there is any indication of impairment of any asset, or if there is any indication that an impairment loss previously recognized for an asset may no

longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

Among others, the factors that the Company considers important which could trigger an impairment review include the following:

- significant or prolonged decline in fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

If any such indication exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and an impairment loss is recognized in profit or loss in the period in which it arises. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss. After such reversal, the depreciation or amortization expense is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining life.

2.8 Input Value-Added Tax (VAT)

Input VAT is recognized at cost less allowance for impairment, if any.

2.9 Accrued expenses and other payables

Accruals are liabilities for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the suppliers. It is necessary to estimate the amount or timing of accruals. However, the uncertainty is generally much less than for provisions.

Other payables are recognized in the period in which the related money, goods or services are received or when a legally enforced claim against the Company is established. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

2.10 Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

The Company's ordinary shares are classified as equity instruments. Share capital is determined using the par value of shares that have been issued. Incremental costs incurred directly attributable to the issuance of new shares are recognized as a deduction from equity, net of tax.

Share premium represents the premium received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings (Deficit) includes all current and prior period results of operations of the Company as disclosed in the statements of comprehensive income(loss) and statements of changes in equity (capital deficiency).

2.11 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

In addition, the following specific recognition criteria must also be met before interest income is recognized:

Interest income earned on bank deposit, which is presented net of tax withheld by bank, is recognized as the interest accrues on a time proportion basis taking into account the effective yield on the asset or EIR.

Other income is recognized when there is an incidental economic benefit, other than from the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be reliably measured.

2.12 Expense recognition

The financial statements are prepared on accrual basis of accounting. Under this basis, expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate.

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured.

They are recognized (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under PFRS 16, a lease exists where the contract grants the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an identified asset for a period of time is conveyed when the customer has both of the following throughout the period of use:

- i. The right to obtain substantially all of the economic benefits from use of the identified asset; and

- ii. The right to direct the use of the identified asset.

In identifying the leases, lease and some non-lease components shall be accounted separately under applicable standards.

Company as a lessee

For lessees, PFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statements of financial position, with certain exemptions allowed:

- i. Short-term leases (twelve months or less); and
- ii. Leases where the underlying asset, in a new condition, is of low value.

The Company does not recognize right-of-use asset and lease liability considering that the term of its lease agreement is not more than 12 months.

2.14 Employee benefits

Short-term benefits

Short-term benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

2.15 Provisions and contingencies

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is charged against profit or loss, net of any reimbursement. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the Company's financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the Company's financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

2.16 Income taxes

Provision for income tax represents the sum of the current and deferred taxes.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, determined at the end of every quarter,

subject to adjustments at the end of the period when a final adjustment return is filed and the corresponding annual income tax is computed and determined to be recovered or paid.

The tax currently payable is based on taxable income for the period. Taxable income differs from net income (loss) as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the financial reporting date.

Deferred tax

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

Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences while deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each financial reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of all or part of the deferred tax assets to be utilized.

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

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

2.17 Related parties

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

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

Related parties may be individuals or corporate entities. The key management personnel of the Company are also considered to be related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.18 Events after the financial reporting date

Post year-end events up to the date the financial statements are authorized for issue by the BOD that provide additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

NOTE 3 -SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the accompanying financial statements in accordance with PFRSs requires the Company's management to make judgments and estimates that affect the application of accounting policies, reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

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

(a) Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine Peso.

The Company considers the following factors in determining its functional currency:

- i. the currency that mainly influences its sale of services and the cost of providing the same;
- ii. the currency in which the funds from financing activities are generated; and
- iii. the currency in which the receipts from operating activities are usually retained.

(b) Classifying financial instruments

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and guidelines set by PAS 32 on the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, generally governs its classification in the statement of financial position.

The classification of financial assets and financial liabilities is set out in Note 4.

(c) Significant increase of credit risk

ECL is measured as an allowance equal to 12-month ECL or lifetime ECL. An asset moves to the next stage when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an

asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(d) Determining lease term

The Company has entered into lease agreements both as a lessor and as a lessee. As a lessor, the Company has retained all the significant risks and rewards of ownership of the leased property, and thus it accounted for the lease agreements as operating leases.

As a lessee, the Company determines whether there is a need to recognize right-of-use asset and lease liability - on-balance sheet lease under PFRS 16. Judgment is used in determining whether the lease terms will not go beyond twelve months and if it contains underlying assets of low value. In making such judgment, the Company evaluates the terms and conditions of the lease arrangement.

(e) Distinguishing between provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions are discussed in Note 2.15. The Company has determined that no contingencies will materially affect its financial statements, hence, no provisions were recognized in March 2023 and December 2022.

Estimates and assumptions

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

(a) Estimating loss allowance for ECL

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In addition to specific allowance against individually significant loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This level of allowance is based on the status of the accounts receivable, past collection experience and other factors that may affect collectability.

There is no allowance for impairment recognized on the Company's receivables as at September 30, 2024 and December 2023 (see Notes 6 and 10).

(b) Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, and technological obsolescence on the use of these assets. In addition, the estimate of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. The amounts and timing of recorded expenses for any period would be

affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would decrease the total assets and increase recorded expenses.

The net carrying value of property and equipment amounted to P468,238,666 and P473,471,221 as at September 30, 2024 and December 31, 2023, respectively. Accumulated depreciation and amortization amounted to P66, 803,117 and P61,136,101 as at September 30, 2024 and December 31, 2023, respectively (see Note 7). There is no change in the estimated useful lives of these assets in September 2024 and December 2023.

(c) Recognizing deferred tax assets

Management reviews the carrying amount of deferred tax assets at each financial reporting date and reduces the same to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of all or part of the deferred tax asset to be utilized.

NOTE 4-FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The following table shows the carrying values of the Company's financial assets and financial liabilities as at:

	<u>Sept. 30, 2024</u>	<u>December 2023</u>
<i>Financial assets</i>		
Cash (Note 5)	P3,811,592	P3,290,334
Receivables (Note 6)*	-	500
Other current assets	64,215	64,215
Advances to a related party (Note 10)	1,042,011	1,042,011
	<u>P4,917,818</u>	<u>P4,397,060</u>
<i>Financial liabilities</i>		
Accrued expenses and other payables (Note 9)**	P101,424,979	P101,782,788
Rental deposits	600,000	600,000
Advances from related parties (Note 10)	288,427,933	280,853,889
	<u>P390,452,412</u>	<u>P383,236,677</u>

*except advances to officers and employees

**except government liabilities

The above carrying amounts of financial assets and financial liabilities, which are carried at amortized cost, are assumed to approximate their fair values due to their relatively short-term maturities and their being subject to an insignificant risk of changes in value.

None of the Company's financial assets has been pledged as collateral for liabilities or contingent liabilities.

The item of income with respect to financial instrument recognized in profit or loss follows:

	<u>Sept. 30, 2024</u>	<u>December 2023</u>
Interest income (Note 5)	<u>P1,087</u>	<u>P731</u>

As stated in Note 2.5, the disclosure of fair value is not required when the carrying amount is a reasonable approximation of fair value.

Financial risk management

The Company's activities expose it to a variety of financial risks, namely (a) credit risk, (b) liquidity risk, and (c) interest rate risk.

Similar to all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further, quantitative information in respect of these risks is presented throughout these financial statements.

There have been no significant changes to the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to the unpredictability of financial markets.

The main risks arising from the Company's use of financial instruments are summarized as follows:

Credit risk

Credit risk is the risk where a counterparty defaults on its obligation to the Company, thus, resulting in a financial loss to the Company.

The Company's maximum exposure to credit risk is equal to the carrying amount of the financial assets as shown on the face of the statement of financial position or in the detailed analysis provided for in the notes to the financial statements. Such financial instruments pertain to the following:

	<u>Sept. 2024</u>	<u>December 2023</u>
Cash in banks (Note 5)	P3,811,592	P3,290,334
Receivables (Note 6)*	-	500
Other current assets	64,215	64,215
Advances to a related party (Note 10)	1,042,011	1,042,011
	<u>P4,917,818</u>	<u>P4,397,060</u>

**except advances to officers and employees*

These financial assets are neither past due nor impaired and viewed by management as "high grade" considering their collectibility and the credit history of the counterparties.

The evaluation of the credit quality of the Company's financial assets considers the payment history of the counterparties.

- High grade - counterparties that have good paying history and are not expected to default in settling their obligations. Credit exposure from these financial assets is considered to be minimal.
- Standard grade - counterparties for which sufficient credit history has not been established.

Liquidity risk

Liquidity risk pertains to the Company not being able to meet its financial obligations as they fall due.

The liquidity gap will be covered by drawings pursuant to a credit line agreement between Abacore Capital Holdings, Inc. and Philippine Business Bank. The credit line is for the exclusive use in the construction of facilities for Montemaria project. Under the said agreement, the Company may draw an amount not exceeding P100 million. The said amount shall be available from time to time and for such purposes as may be approved by the bank. The credit line is a revolving and continuing credit line. All drawings and availments under the credit line shall be evidenced by a promissory note which will contain such terms and conditions as the interest rate, payment period and default penalty on past due obligation. The agreement contains the standard provisions on default.

The Company's financial liabilities are presented below.

	Sept. 30, 2024		
	< 6 months	6-12 months	> 1 year
Accrued expenses and other payables (Note 9)**	P1,094,050	P100,330,429	P-
Rental deposits			600,000
Advances from related parties (Note 10)		-	288,427,933
	P1,094,050	P100,330,429	P289,027,933

	December 2023		
	< 6 months	6-12 months	> 1 year
Accrued expenses and other payables (Note 9)**	P1,319,046	P100,463,742	P-
Rental deposits			600,000
Advances from related parties (Note 10)	-	-	280,853,889
	P1,319,046	P100,463,742	P281,453,889

**except government liabilities*

Interest rate risk

Interest rate risk is usually classified between cash flow and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The primary source of the Company's interest rate risk relates to cash in banks. The interest rate on cash in banks is disclosed in Note 5. The Company maintains its cash deposits in established universal and commercial banks to manage credit risk.

Interest income on cash in banks amounted only to P1,087 and P731 in September 30, 2024 and December 31, 2023, respectively, thus, the Company does not have significant exposure to interest rate risk.

Capital management

The primary objective of the Company's capital management is to ensure its ability to continue as going concern and that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value. The President has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Debt-to-equity ratio as at September 30, 2024 and December 31, 2023 is 2.97 and 2.69, respectively.

The Company is not subject to externally-imposed requirement.

NOTE 5 - CASH

The account consists of:

	Sept. 2024	December 2023
Cash in banks	P3,811,592	P3,290,334
Petty cash	40,000	40,000
	P3,851,592	P3,330,334

Cash in banks pertain to current accounts maintained by the Company which earn an interest of 0.5%. Interest income earned by the Company in June 30, 2024 and December 31, 2023 amounted to P650 and P731 respectively.

NOTE 6 - RECEIVABLES

The account consists of:

	Sept. 2024	December 2023
Advances to employees	P-	P-
Other receivables	-	500
	P-	P500

Other receivables are cash advances subject to liquidation.

Advances to employees pertain to salary loans which are interest free and deductible every payroll period.

NOTE 7 - PROPERTY AND EQUIPMENT

The details and movements of this account are as follows:

	Sept. 2024	
	January 1	June 30
COST		
Furniture and fixtures	P2,499,598	P2,499,598
Heavy equipment	12,942,689	12,942,689
Tools and equipment	219,304	219,304
Leasehold improvements	127,544	127,544
Building	481,047,975	481,047,975
Building improvements	4,172,199	4,172,199
Building improvements_MOAA	2,206,020	2,744,946
Images	15,107,143	15,107,143
Road	9,531,279	9,531,279
Road improvements	2,034,773	2,034,773
Welcome arch	2,309,012	2,309,012
Transportation equipment	2,409,786	2,305,321
	P534,607,322	P535,041,783

	Sept. 2024	
	January 1	June 30
ACCUMULATED DEPRECIATION AND		

AMORTIZATION

Furniture and fixtures	P2,475,586	4,002	P2,479,588
Heavy equipment	10,073,633	618,778	10,692,410
Tools and equipment	219,304	-	219,304
Leasehold improvements	127,544	-	127,544
Building	30,802,982	4,810,480	35,613,462
Building improvements	676,396	41,849	718,245
Building improvements _MOAA	37,477	22,054	59,531
Images	2,982,143	150,000	3,132,143
Road	8,975,286	476,564	9,451,850
Road improvements	1,714,822	101,739	1,816,561
Welcome arch	1,452,452	76,967	1,529,420
Transportation equipment	1,598,476	(635,417)	963,059
	61,136,101	5,667,016	66,803,117
Net carrying amount	P473,471,221	(5,232,555)	P468,238,666

December 2023

	January 1	Additions	December 31
COST			
Furniture and fixtures	P2,499,598	-	P2,499,598
Heavy equipment	12,728,832	213,857	12,942,689
Tools and equipment	219,304	-	219,304
Leasehold improvements	127,544	-	127,544
Building	481,047,975	-	481,047,975
Building improvements	3,983,205	188,994	4,172,199
Building improvements - MOAA	1,016,773	1,189,247	2,206,020
Images	15,107,143	-	15,107,143
Road	9,531,279	-	9,531,279
Road improvements	2,034,774	-	2,034,773
Welcome arch	2,309,012	-	2,309,012
Transportation equipment	841,036	1,568,750	2,409,786
	531,446,474	3,160,848	P534,607,322

ACCUMULATED DEPRECIATION

	January 1	Provisions	Adjust	December 31
Furniture and fixtures	2,465,629	9,957		2,475,586
Heavy equipment	8,798,277	1,275,356		10,073,633
Tools and equipment	219,304	-		219,304
Leasehold improvements	127,544	-		127,544
Building	21,182,022	9,620,960	-	30,802,982
Building improvements	594,633	81,604	159	676,396
Building improvements - MOAA	6,039	31,597	(159)	37,477
Images	2,682,143	300,000		2,982,143
Road	8,022,159	953,127		8,975,286
Road improvements	1,511,345	203,477		1,714,822
Welcome arch	1,298,518	153,934		1,452,452
Transportation equipment	652,494	945,982		1,598,476
	47,560,107	13,575,994	-	61,136,101
Net carrying amount	P483,886,367	(10,415,146)	-	P473,471,221

On December 26, 2013, the Company entered into a Deed of Absolute Sale with Omnicor Industrial Estate and Realty Center, Inc. for the purchase of properties such as Welcome Arch, Building/Field Office, Road, and Face and Hands of the Blessed Virgin Mary for a total consideration of P59,171,280.

By virtue of Deeds of Usufruct executed on June 24, 2014 and November 19, 2014, the Company was granted usufructuary rights over the specific portions of the parcels of land owned by Montemayor Aggregates and Mining Corporation, HIM Management and Associates, Inc. and Omnicor on which the Company has constructed improvements. The period of the usufruct is for three years, which may be extended by mutual agreement with the landowners, the Company being granted the exclusive right to terminate the usufruct, as well as the option to acquire the pertinent portion of the land at fair market value in exchange for shares. The said landowners have likewise executed an undertaking to respect the use of said properties by the members/shareholders of the Company in the event of any dispute between them and the Company.

Management has expressed inclination to further extend the said usufructs for a longer period. Management will be proposing the said extension to the BOD as soon as it is able to convene after the community quarantine.

NOTE 8– INPUT VAT

The account consists of:

	<u>Sept. 2024</u>	<u>December 2023</u>
Input VAT	<u>P48,764,090</u>	<u>P47,915,531</u>

Input VAT of the Company will be applied against output VAT in the future periods when it starts its commercial operations.

NOTE 9 - ACCRUED EXPENSES AND OTHER PAYABLES

The account consists of:

	<u>Sept. 2024</u>	<u>December 2023</u>
Accrued expenses	P1,094,050	P1,319,046
Accounts payable	827,429	2,568,742
Government liabilities	38,088	20,597
Other payables	99,503,000	97,895,000
	<u>P101,462,567</u>	<u>P101,803,385</u>

Accrued expenses include accrual of rent.

Accounts payable pertains to the Company's liabilities to suppliers.

Government liabilities consist of expanded withholding taxes, and SSS, HDMF, and Philhealth premiums for remittance.

Other payables consist mainly of partial payments on offered shares based on memorandum of agreements with the buyers.

NOTE 10 - RELATED PARTY TRANSACTIONS

Related party transactions consist of non-interestbearing advances to/from related parties for working capital requirements and other related expenses which will be liquidated either through cash or equity shares of the borrower. Advances to related party are due and collectible upon demand. For advances from related parties, the Company has unconditional right to defer payment for at least a year. There are no guarantees received or given during the year.

The summary of the Company's transactions with related parties in the normal course of business are as follows:

Related party	Nature of relationship	Outstanding balance		Transactions		Terms and conditions
		Sept. 2024	Dec. 2023	Sept. 2024	Dec. 2023	
<u>Advances to a related party</u>						
Verde Island						No term, non-interest bearing, unsecured
Passage (VIP) Marine Sanctuary, Inc.	Under common directorship	P1,042,011	P1,042,011	P-	-	
Allowance for impairment		-	-	-	-	
		P1,042,011	P1,042,011	P-	-	
<u>Advances from related parties</u>						
Omnico Industrial Estate	Under common directorship	P286,694,976	P279,120,932	7,574,044	(215,592,630)	No term, non-interest bearing, unsecured
Abacus Global Technovisions, Inc.	Under common directorship	1,732,957	1,732,957	-	-	
		P288,427,933	P280,853,889	P7,574,044	(P215,592,630)	

NOTE 11 - SHARE CAPITAL AND SHARE PREMIUM

The accounts at September 30, 2024 and December 2023 consist of:

Share capital

	Sept. 2024		December 2023	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Proprietary - at P10,000 per share	15,000	P150,000,000		
Associate - at P1,000 per share	50,000	50,000,000		
	65,000	P200,000,000		
Contributed capital				
Proprietary - at P10,000 per share				
At January 1	9,443	P94,430,000	6,586	P65,860,000
Additional issuance of shares	37	370,000	2,857	28,570,000
Balances	9,480	94,800,000	9,443	94,430,000

Associate - at P10,000 per share				
At January 1	20,895	20,895,000	20,895	20,895,000
Additional issuance of shares	7	7000	-	-
Balances	20,902	20,902,000	20,895	20,895,000
	30,382	P115,702,000	30,338	P115,325,000

Share premium

	Sept. 2024	December 2023
At January 1	P217,820,810	P48,400,650
Additions*	3,728,000	169,420,100
Balances	P221,548,750	P217,820,750

In a special stockholders' meeting held on May 14, 2015, the BOD secured the consent and approval of the stockholders of the amendment of Article Seventh of the Articles of Incorporation increasing the authorized capital stock from 7,500 to 15,000 proprietary shares with issue value of P10,000 per proprietary share and 30,000 to 50,000 associate shares with issue value of P1,000 per associate share.

The amount of increase of authorized capital stock is P95,000,000, thereby increasing the authorized capital stock from P75,000,000 to P150,000,000 for proprietary shares and from P30,000,000 to P50,000,000 for associate shares.

Of the said increase, the amount of P23,750,000 was subscribed and fully paid in cash by Omnicor Industrial Estate and Realty Center, Inc. and was approved by the SEC on July 28, 2015.

During 2020, the Company issued 280 proprietary shares for P28,000,000, resulting in recognition of share premium of P24,920,000 (net of P280,000 share issuance cost). Of the P28,000,000 subscriptions, P25,000,000 has been received in cash and P3,000,000 has been offset against Other payables (see Note 9). In 2021, the Company issued 1 proprietary share for P35,000, resulting in recognition of share premium of P33,650 (net of P350 share issuance cost).

A subscription agreement for P199,990,000 was executed between Montemaria Asia Pilgrims, Inc. and Omnicor Industrial Estate and Realty Center, Inc. on January 31, 2023 to convert a portion of the debt into equity in Montemaria resulting in recognition of share premium of P169,420,100 (net of P1,999,900 documentary stamp taxes).

NOTE 12- OTHER INCOME

Other income pertains to income earned by the Company from photo shoots & others made at the Montemaria site.

MONTEMARIA ASIA PILGRIMS, INC.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
For the Period Ending September 30, 2024 and September 30, 2023

		<u>2024</u>	<u>2023</u>
Current ratio:	Current assets	4,957,818	5,048,255
	Current liabilities	390,490,500	379,396,602
		<u>0.01</u>	<u>0.01</u>
Solvency ratio:	Cash + Accounts receivable	3,851,592	3,963,434
	Current liabilities	390,490,500	379,396,602
		<u>0.01</u>	<u>0.01</u>
Debt to equity ratio:	Total liabilities	390,490,500	379,396,602
	Total equity	131,470,074	152,102,622
		<u>2.97</u>	<u>2.49</u>
Asset to equity:	Total assets	521,960,574	531,499,224
	Total equity	131,470,074	152,102,622
		<u>3.97</u>	<u>3.49</u>
<u>Profitability ratio:</u>			
Return on assets:	Net income (loss)	(15,201,465)	(11,103,783)
	Total assets	521,960,574	531,499,224
		<u>(0.03)</u>	<u>(0.02)</u>
Return on Equity:	Net income (loss)	(15,201,465)	(11,103,783)
	Total Equity	131,470,074	152,102,622
		<u>(0.12)</u>	<u>(0.07)</u>

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **OMAR T. CRUZ**, Filipino, of legal age and a resident of 408 Calo St. Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Montemaria Asia Pilgrims, Inc., (MAPI) and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Ayala Land REIT, Inc.	Independent Director	March 2019 to present
De La Salle, Philippines	Investment Committee Chairman	2018 to present
Financial Executives Institute of the Philippines	Trustee	2016 to present
University of Asia and the Pacific	Trustee and Executive Committee Chairman	2016 to present
Phil. National Police Foundation	Trustee	2016 to present
Center for Research and Communication Foundation, Inc.	Trustee and Board Executive Committee Member	2016 to present
De La Salle University	Trustee	2016 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Montemaria Asia Pilgrims, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not related to any Director/ Officer/Substantial shareholder	-0-	-0-

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be)

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE	NONE	NONE

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Montemaria Asia Pilgrims, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I Shall Inform the Corporate Secretary of Montemaria Asia Pilgrims, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 02 2024 day of QUEZON CITY 2024, at QUEZON CITY

OMAR T. CRUZ

Affiant

QUEZON CITY SUBSCRIBED AND SWORN to before me this ____ day of ____ 2024 at
____, affiant personally appeared before me and exhibited to me his BIR
Identification Card No. 106-904-138.

Doc. No. 219 ;
Page No. 51 ;
Book No. LIV ;
Series of 2024.

AB
ATTY. RUTH M. AZAÑES, JR.

NOTARY PUBLIC IN QUEZON CITY

AM Adm. Nat. Com. No. NP-025 (2024)

IBP O.R. No. 384112 - Jan. 1, 2024 / Q.C. / Roll No. 46427

PTR No. 5555119 - Jan. 2, 2024 / Q.C. / TJN: 140-394-036-000

MCLE Compliance No. VII-0018606 valid until 04-15-2025

Address: Bagong Lipunan ng Creme, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BERNARDO MALVAR VILLEGAS**, Filipino, of legal age and a resident of 119 Aguirre St., Legaspi Village Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Montemaria Asia Pilgrims, Inc., (MAPI) and have been its independent director since 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
University of Asia and the Pacific	Senior Vice-President University Professor	1995 to present
Parents for Education Foundation Inc. (PAREF)	Educational Consultant	1976 to present
Transnational Diversified Group	Director	2000 to present
Alaska Milk Corporation	Independent Director	1999 to present
Benguet Corporation	Independent Director	1998 to present
Filipino Fund, Inc.	Chairman	2012 to present
Manila Bulletin	Columnist	1986 to present
Philippine Daily Inquirer	Columnist	2000 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Montemaria Asia Pilgrims, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NOT RELATED TO ANY		
DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	-0-	-0-

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be)

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE	NONE	NONE

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Montemaria Asia Pilgrims, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I Shall Inform the Corporate Secretary of Montemaria Asia Pilgrims, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 02 2024 day of QUEZON CITY 2024, at QUEZON CITY City.

Bernardo M. Villegas
BERNARDO MALVAR VILLEGAS

Affiant

SUBSCRIBED AND SWORN to before me this OCT 02 2024 day of QUEZON CITY 2024 at QUEZON CITY, affiant personally appeared before me and exhibited to me his BIR Identification Card No. 111-622-998.

Doc. No. 200 ;
Page No. 71 ;
Book No. LIV ;
Series of 2024.

Ruben M. Azanes, Jr.
ATTY. RUBEN M. AZANES, JR.

NOTARY PUBLIC IN QUEZON CITY

AM Adm. Not. Com. No. NP-025 (2024)

IBP O.R. No. 384112 - Jan. 1, 2024, Q.C. Roll No. 46427

PTR No. 5555110 - Jan. 2, 2024, Q.C. TIN: 140-394-836-000

MCLE Compliance No. VII-0018605 valid until 04-15-2025

Address: Bagong Lipunan ng Crame, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CLARITA T. ZARRAGA**, Filipino, of legal age and a resident of #26 Santan St., Tahanan Village, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Montemaria Asia Pilgrims, Inc., (MAPI) and have been its independent director since September, 2023.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Business Outsourcing Solutions & Services	President & CEO	2013 to Nov. 2022

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Montemaria Asia Pilgrims, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not related to any Director/ Officer/Substantial shareholder	-0-	-0-


5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be)

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE	NONE	NONE

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Montemaria Asia Pilgrims, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I Shall Inform the Corporate Secretary of Montemaria Asia Pilgrims, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 02 day of OCT 02 2024 2024, at QUEZON CITY


CLARITA T. ZARRAGA

Affiant

OCT 02 2024

QUEZON CITY SUBSCRIBED AND SWORN to before me this 02 day of OCT 02 2024 at QUEZON CITY, affiant personally appeared before me and exhibited to me his BIR Identification Card No. 123-518-151

Doc. No. 281;
Page No. 52;
Book No. LV;
Series of 2024.


ATTY. RUBEN M. AZANES, JR.

NOTARY PUBLIC IN QUEZON CITY

AM Adm. Not. Com. No. NP-025 (2024)

IBP O.R. No. 384112 - Jan. 1, 2024, Q.C. Roll No. 46427

PTR No. 5555119 - Jan. 2, 2024, Q.C. TIN: 140-394-836-000

MCLE Compliance No. VII-0018605 valid until 04-15-2025


Address: Bagong Lipunan ng Crame, Q.C.

CERTIFICATION

I, VICENTE RAFAEL L. ROSALES, Corporate Secretary of MONTEMARIA ASIA PILGRIMS, INC. with SEC registration No. CS201307234 with office address at No. 135 J.P. Rizal St., Project 4, Quezon City, on oath state:


- 1) That on behalf of Montemaria Asia Pilgrims, Inc, I have caused this Definitive Information Statement (SEC Form 20-IS) to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the Montemaria Asia Pilgrims, Inc. will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I hereby sign this ~~OCT 21 2024~~ OCT 21 2024 November 2024 in Quezon City.


VICENTE RAFAEL L. ROSALES

SUBSCRIBED AND SWORN to before me, a Notary Public in and for QUEZON CITY this OCT 21 2024 2024, affiant having exhibited to me his Driver's License No. N01-02-000038 valid until 30 April 2034.

Doc. No.: 01
Page No.: 14
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Series of 2024


ATTY. RUBEN M. AZANES, JR.
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-025 (2024)
IBPO.R. No. 384112 - Jan. 1, 2024 / Q.C. / Roll No. 46427
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