C03194-2021

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   May 10, 2021
2. SEC Identification Number
   A199813754
3. BIR Tax Identification No.
   000-282-553
4. Exact name of issuer as specified in its charter
   Da Vinci Capital Holdings, Inc.
5. Province, country or other jurisdiction of incorporation
   Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   No. 900 Romualdez St., Paco, Manila
   Postal Code
   1007
8. Issuer's telephone number, including area code
   (632) 8522-8801 to 04
9. Former name or former address, if changed since last report
   None
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	1,124,999,969

11. Indicate the item numbers reported herein
    Other Matters

Da Vinci Capital Holdings, Inc.
DAVIN

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
2020 Audited Financial Statements of Da Vinci Capital Holdings, Inc.
Background/Description of the Disclosure
For disclosure is the attached 2020 Audited Financial Statements of Da Vinci Capital Holdings, Inc. approved by the Board of Directors on April 16, 2021.
Other Relevant Information
None

Filed on behalf by:

Name	Candy Dacanay-Datuon
Designation	Corporate Secretary

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						2	4	0	1	5

COMPANY NAME

DA VINCI CAPITAL HOLDINGS, INC.

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

No. 900 Romualdez Street
Paco, Manila

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number
hotline@mariwasa.com	(02) 522-8801 to 04	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
470	Any Day of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Candy H. Dacanay - Datuon	candy.dacanay@gmail.com	522-8801 to 04	N/A

CONTACT PERSON's ADDRESS

No. 900 Romualdez Street, Paco, Manila

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.

DA VINCI CAPITAL HOLDINGS, INC.

FINANCIAL STATEMENTS
December 31, 2020 and 2019
(With Comparative Figures for 2018)

With Independent Auditors' Report

DA VINCI CAPITAL HOLDINGS, INC.
900 Romualdez St., Paco, Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Da Vinci Capital Holdings, 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, 2020 and 2019**, 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 form 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 Management is responsible for overseeing the Company's financial reporting process.

The Management reviews and approves the financial statements including the schedules attached therein.

R. G. Manabat & Co., the independent auditor appointed by the Management, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Management, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature________________
Lucio L. Co
Chairman of the Board/President

Signature________________
Ma. Editha D. Alcantara
Treasurer

Signed this APR 1 9 2021 day of April, 2021.

SUBSCRIBED AND SWORN to before me this ____ day of APR 1 9 2021 2021 affiants exhibiting to me their respective identifications, as follows:

Name	Type of ID	ID No.	Date of Issue	Place of Issue
Lucio L. Co	TIN	108-975-971		
Ma. Editha D. Alcantara	SSS	33-1176861-2		

Doc. No. 447
Page No. 90
Book No. 27
Series of 2021

CHERRIE LYNNE MAY R. PUREZA
Notary Public for the City of Manila
Commission No. 2020-079 until Dec 31, 2021
Roll No. 58325
IBP Lifetime Member No. 09093
PTR No. 9824725 / 01-05-2021 / Mla.
MCLE Compliance No. VI-0022488 / 04-16-19
No. 900 Romualdez St., Paco, Manila

KPMG

R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue, Makati City
Philippines 1226

Telephone	+63 (2) 8885 7000
Fax	+63 (2) 8894 1985
Internet	www.home.kpmg/ph
Email	ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
Da Vinci Capital Holdings, Inc.
No. 900 Romualdez Street
Paco, Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Da Vinci Capital Holdings, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

RR6, RDO 34 PACO-PANDACAN STA. ANA SAN ANDRES
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LUCIANO

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the financial statements and our auditors' report thereon. The SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

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

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

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

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

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

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audits of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 17 to 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 supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Mr. Gregorio I. Sambrano, Jr.

R.G. MANABAT & CO.

GREGORIO I. SAMBRANO, JR.
Partner
CPA License No. 088825
SEC Accreditation No. 1548-AR-1, Group A, valid until December 17, 2021
Tax Identification No. 152-885-329
BIR Accreditation No. 08-001987-36-2018
Issued September 20, 2018; valid until September 19, 2021
PTR No. MKT 8533918
Issued January 4, 2021 at Makati City

April 16, 2021
Makati City, Metro Manila

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DA VINCI CAPITAL HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2020**	2019
ASSETS			
Noncurrent Assets			
Other noncurrent assets	*5*	**P23,993,425**	P23,897,634
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	*6, 12, 13*	**P1,439,000**	P1,439,000
Accrued expenses	*7, 12, 13*	**656,676**	562,576
Due to related parties	*8, 12, 13*	**7,852,438**	6,762,212
Total Liabilities	*14*	**9,948,114**	8,763,788
Equity			
Capital stock	*9*	**25,875,000**	25,875,000
Additional paid-in capital	*9*	**46,033,000**	46,033,000
Deficit		**(57,862,689)**	(56,774,154)
Total Equity	*14*	**14,045,311**	15,133,846
		P23,993,425	P23,897,634

See Notes to Financial Statements

DA VINCI CAPITAL HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019
(With Comparative Figures for 2018)

	Note	**2020**	2019	2018
OPERATING EXPENSES				
PSE maintenance fee		**P573,500**	P731,250	P612,375
Retainer fee		**207,200**	130,800	130,800
Professional fee		**150,000**	150,000	71,300
Taxes and licenses		**500**	8,072	7,242
Penalty		-	-	102,000
Miscellaneous fee		**157,335**	27,899	24,054
LOSSES		**(P1,088,535)**	(P1,048,021)	(P947,771)
LOSS PER SHARE				
Basic loss per share	*11*	**(P0.0010)**	(P0.0009)	(P0.0008)

See Notes to Financial Statements.

DA VINCI CAPITAL HOLDINGS, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

(With Comparative Figures for 2018)

	Capital Stock (Note 9)	**Additional Paid-in Capital** (Note 9)	**Deficit**	**Total**
Balances at December 31, 2017	P25,875,000	P46,033,000	(P54,778,362)	P17,129,638
Loss for the year	-	-	(947,771)	(947,771)
Balances at December 31, 2018	25,875,000	46,033,000	(55,726,133)	16,181,867
Loss for the year	-	-	(1,048,021)	(1,048,021)
Balances at December 31, 2019	25,875,000	46,033,000	(56,774,154)	15,133,846
Loss for the year	-	-	(1,088,535)	(1,088,535)
Balances at December 31, 2020	**P25,875,000**	**P46,033,000**	**(P57,862,689)**	**P14,045,311**

See Notes to Financial Statements.

DA VINCI CAPITAL HOLDINGS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019
(With Comparative Figures for 2018)

	Note	**2020**	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Losses before income tax/operating cash flows before changes in working capital		**(P1,088,535)**	(P1,048,021)	(P947,771)
Increase in other noncurrent assets		**(95,791)**	(101,607)	(79,027)
Increase (decrease) in accrued expenses		**94,100**	(4,700)	159,100
Net cash used in operating activities		**(1,090,226)**	(1,154,328)	(867,698)
CASH FLOWS FROM A FINANCING ACTIVITY				
Advances received from related parties	*8, 15*	**1,090,226**	1,154,328	867,698
CASH AT THE END OF YEAR		**P -**	P -	P -

See Notes to Financial Statements.

DA VINCI CAPITAL HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
(With Comparative Figures for 2018)

1. Reporting Entity

Da Vinci Capital Holdings, Inc, (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 5, 1963, and its shares are listed in the Philippine Stock Exchange (PSE) on September 3, 1991. On April 26, 2013, the SEC approved the amendments to certain sections of the Company's articles of incorporation which include the extension of its corporate life for another 50 years from November 5, 2013 to November 5, 2063. The principal activities of the Company are to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness and other securities, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign, engage in, but not limited to, the business of real estate, manufacturing, trading and agribusiness, and to pay, in whole or in part, in cash or by exchanging therefor, stocks, bonds and other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property and to possess and exercise in respect therefor all the rights, powers and privileges of ownership, including all voting powers on any stock so owned, without however engaging in dealership in securities or in stock brokerage business, to the extent permitted by law, to aid, either by loans or by guaranty of securities or in any other manner, any corporation, domestic, or foreign, any share of stock, or any bond, debenture, evidence of indebtedness or other security whereof are held by this corporation or in which it shall have interest, and to do any act designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by this corporation or in which it at that time may be interested.

The Company is 85% owned by Invescap Incorporated ("Invescap"), its Parent Company that is incorporated in the Philippines. The remaining 14.48% and 0.52% are owned by other domestic corporations and by Filipino individuals, respectively.

The Company's registered office address is located at No. 900 Romualdez Street, Paco, Manila.

Amendments to Articles of Incorporation

The Board of Directors (BOD) and Stockholders, representing at least two-thirds (2/3) of the outstanding capital stock of the Company, approved the amendments to certain sections of the Company's Articles of Incorporation on October 26, 2020 and November 20, 2020, respectively, which include the following:

Change in the name of the Company

The name of the said corporation shall be "The Keepers Holdings, Inc."

Change in the Primary Purpose of the Company
To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefore in money or by exchanging shares of stock of this corporation or any other corporation, while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; to carry on and manage the general business of any company.

Change in the Term of Existence of the Company
The term of existence of the Corporation changed from fifty years to perpetual existence.

Increase in Authorized Capital Stock of the Company
The increase of the Company's authorized capital stock from Three Hundred Twenty Seven Million Six Hundred Thousand Pesos (P327,600,000) divided into One Billion Two Hundred Million (1,200,000,000) common shares with par value of Two and Three Tenths Centavos (P0.023) per share, and Three Billion (3,000,000,000) preferred shares with par value of Ten Centavos (Php0.10) per share to Two Billion Pesos (P2,000,000,000) divided into Twenty Billion (20,000,000,000) common shares at a par value of Ten Centavos (P0.10) per share.

As at April 16, 2021, the application for the proposed increase in the authorized capital stock, and the other amendments to the Articles of Incorporation is still under review by the SEC.

2. Basis for the Preparation

Statement of Compliance
The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS which are issued by the Philippine Financial Reporting Standards Council (FRSC), consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations based on the International Financial Reporting Interpretations Committee (IFRIC) interpretations.

Basis of Measurement
The financial statements have been prepared using the historical cost basis of accounting.

Functional and Presentation Currency
The financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Philippine Peso, which is the Company's functional currency. All amounts are rounded to the nearest Peso except when otherwise indicated.

Authorization for Issuance of the Financial Statements
The financial statements of the Company as at and for the years ended December 31, 2020 and 2019 were approved and authorized for issue by the Company's Board of Directors (BOD) on April 16, 2021.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except for the changes in accounting policies as explained below.

Adoption of Amendments to Standards
The Company has adopted the following amendments to standards starting January 1, 2020 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's financial statements. These are as follows:

- *Amendments to References to Conceptual Framework in PFRS Standards* sets out amendments to PFRS Standards, their accompany documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes a new chapter on measurement, guidance on reporting financial performance, improved definitions of an asset and a liability, and guidance supporting these definitions, and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

  Some Standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee (IASC)'s Framework for the Preparation and Presentation of Financial Statements adopted by the International Accounting Standards Board (IASB) in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework, and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

- PAS 1, *Presentation of Financial Statements,* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material (Amendments)* refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

  (a) raising the threshold at which information becomes material by replacing the term "could influence" with "could reasonably be expected to influence";

  (b) including the concept of "obscuring information" alongside the concept of "omitting" and "misstating" information in the definition;

  (c) clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework;

(d) clarifying the explanatory paragraphs accompanying the definition; and

(e) aligning the wording of the definition of material across PFRS Standards and other publications.

The amendments are expected to help entities make better materiality judgements without substantively changing existing requirements.

Other Noncurrent Assets

Excess Tax Credits

Excess tax credits pertain to overpayment of income taxes in prior years. Excess tax credits are initially recognized based on the amount withheld by the payee in accordance with the local tax rules and regulations. These are accumulated and are reduced when deducted against income tax payable. Excess tax credits that are expected to be realized within 12 months after the reporting period are classified as current asset, otherwise, these are classified as other noncurrent asset.

Input Taxes

Input tax represents the value-added tax (VAT) due or paid on purchases of goods and services subjected to VAT that the Company can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT from sale of goods and services subjected to VAT. The input tax can also be recovered as tax credit against future income tax liability of the Company upon approval of the BIR. Input tax is stated at net realizable value. An allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. Input tax that are expected to be realized within 12 months after the reporting period are classified as current asset, otherwise, these are classified as other noncurrent asset.

Financial Instruments

Date of Recognition

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial Recognition of Financial Instruments

The financial assets or financial liabilities are recognized initially at fair value and subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization for any related premium, discount and any directly attributable transaction costs. These financial instruments are included in current assets or current liabilities if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets or liabilities.

As at December 31, 2020 and 2019, the Company's financial instruments consists of financial liabilities.

Financial Liabilities

Classification, Subsequent Measurement and Gains and Losses. Financial liabilities are classified as measured at amortized cost or financial liabilities at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition.

As at December 31, 2020 and 2019, the financial liabilities of the Company are measured at amortized cost.

Financial Liabilities at Amortized Cost
This category pertains to financial liabilities that are not held for trading or designated as at FVTPL upon inception of the liability. These include liabilities arising from operations or borrowings. The financial liabilities are recognized initially at fair value and subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization for any related premium, discount and any directly attributable transaction costs. These financial liabilities are included in current liabilities if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent liabilities.

As at December 31, 2020 and 2019, the Company's financial liabilities measured at amortized cost include accounts payable, accrued expenses and due to related parties.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

<u>Capital Stock</u>
Ordinary or common shares are classified as equity. The proceeds from the issuance of ordinary or common shares are presented in equity as capital stock to the extent of the par value of the issued and outstanding shares and any excess of the proceeds over the par value of the shares issued, less any incremental costs directly attributable to the issuance, net of tax, is presented in equity as additional paid-in capital.

<u>Retained Earnings (Deficit)</u>
Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, dividend contributions, correction of prior year errors, effect of changes in accounting policy and other capital adjustments, if any.

<u>Expense Recognition</u>
Expenses are recognized when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized on the basis of a direct association between costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or 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 as an asset.

<u>Related Parties and Related Party Transactions</u>
Related party relationships exist when the party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form. Related parties may be individual or corporate entities.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used as basis to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Income Tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, and carryforward benefits of unused net operating loss carryover (NOLCO) to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of unused NOLCO can be utilized.

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

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

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

VAT

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

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

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

The net amount of tax recoverable from the taxation authority is included as part of “Other noncurrent assets” in the statement of financial position.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to financial statements when material.

Amended Standards Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after January 1, 2020. However, the Company has not early adopted the following relevant amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

The Company plans to adopt the following relevant amended standards on the respective effective dates, as applicable.

Effective January 1, 2021

- PFRS 9, *Financial Instruments,* PAS 39, *Financial Instruments: Recognition and Measurement,* PFRS 7, *Financial Instruments: Disclosures,* PFRS 4, *Insurance Contracts,* and PFRS 16, *Leases - Interest Rate Benchmark Reform - Phase 2 (Amendments)* ensure that financial statements best reflect the economic effects of interest rate benchmark reforms, the Phase 2 amendments were issued and focus on the accounting once a new benchmark rate is in place. The reliefs allow companies not to recognize significant modification gains or losses on financial instruments and mitigate the risk of discontinuations of existing hedging relationships because of changes required by reforms. The amendments address issues that might affect financial reporting during the reform in the following key areas:

    - Practical expedient for particular changes to contractual cash flows. As a practical expedient, a company will account for a change in the basis for determining the contractual cash flows that is required by the reform by updating the effective interest rate of the financial instrument. If there are other changes to the basis for determining the contractual cash flows, then a company first applies the practical expedient to the changes required by the reform and then applies other applicable requirements of PFRS 9 to other changes. A similar practical expedient applies to insurers applying PAS 39 and lessees for lease modifications required by a reform.

    - Relief from specific hedge accounting requirements. The amendments enable and require companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the reform. A company is required to amend the formal designation of hedging relationships to reflect the changes required by the reform. Reliefs are also provided for amounts accumulated in the cash flow hedge reserve, the separately identifiable requirement, groups of items designated as hedged items and retrospective effectiveness assessment under PAS 39.

    - Disclosure requirements. To enable users of financial statements to understand the effect of reforms on a company's financial instruments and risk management strategy, additional disclosures are required on how transition to alternative benchmark rates are being managed, quantitative information about financial instruments indexed to rates yet to transition due to benchmark reform at the end of the reporting period, and the extent to which changes to the risk management strategy have occurred due to the risks identified in the transition.

  The amendments apply retrospectively, but restatement of comparative information is not required. Earlier application is permitted. The amendments are still subject to the approval by the FRSC.

Effective January 1, 2022

- PAS 37, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract (Amendments)* clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments apply prospectively on or after January 1, 2022. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. Earlier application is permitted.

- *Annual Improvements to PFRS Standards 2018-2020.* This cycle of improvements contains amendments to four standards, of which, the following is relevant to the Company:

  - PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments)* clarify that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees 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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

Effective January 1, 2023

- PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (Amendments)* promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and

  - clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

4. Management's Use of Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to exercise judgments, make accounting estimates and use assumptions that affect reported amounts of assets, liabilities, income and expenses and related disclosures. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the financial statements as they become reasonably determinable.

Accounting judgments, estimates and assumptions 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.

Accounting Estimates and Assumptions

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

Recognition of Deferred Income Tax Assets

The Company reviews its deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

As at December 31, 2020 and 2019, the Company has carryforward benefits of unused NOLCO amounting to P2,851,527 and P2,737,852, respectively, for which no deferred income tax asset was recognized (see Note 10). Management assessed that it is not probable that future taxable profits will be available to allow all or part of its deferred income tax asset to be utilized prior to its expiration. Actual results may differ from these estimates.

5. Other Noncurrent Assets

The details of the Company's other noncurrent assets are shown below:

	2020	2019
Excess tax credits	**P23,234,026**	P23,234,026
Input VAT	**759,399**	663,608
	P23,993,425	P23,897,634

Excess tax credits pertain to prepaid taxes carried over from previous taxable years.

6. Accounts Payable

The Company's accounts payable pertains to PSE maintenance fee, retainers' fee and other expenses which are paid in advance by the former stockholders in behalf of the Company.

7. Accrued Expenses

As at December 31, 2020 and 2019, the Company's accrued expenses pertain to professional fees and other accruals which amounted to P656,676 and P562,576, respectively.

Accrued professional fees amounted to P150,000 for both years ended December 31, 2020 and 2019.

8. Related Party Transactions

Balances and transactions between the Company and its related parties are disclosed below.

<u>Due to Related Parties</u>
Balances of due to related parties as shown in the statements of financial position are summarized as follows:

Key Management Personnel
Transaction with key management personnel is detailed as follows:

	December 31, 2020		December 31, 2019	
	Transactions During the Year	**Outstanding Balance**	Transactions During the Year	Outstanding Balance
Stockholder's advances	**P1,090,226**	**P7,852,438**	P1,154,328	P6,762,212

Stockholder's advances represent amounts owed to related parties for working capital requirements of the Company.

Transactions with stockholders are non-interest-bearing, unsecured, payable on demand and will be settled in cash. No guarantees have been given.

<u>Remuneration of Key Management Personnel</u>
In both years, no remuneration was given to the Company's directors and other members of key management personnel.

9. Capital Stock

The capital stock of the Company is as follows:

	2020	2019
Ordinary shares	**P25,875,000**	P25,875,000
Additional paid-in capital	**46,033,000**	46,033,000
	P71,908,000	P71,908,000

Ordinary shares carry one vote per share and a right to dividends.

Additional paid-in capital pertains to amount paid on the issuance of shares in excess of par value.

Capital Stock

Below are the details of the ordinary shares:

	2020		2019	
	Shares	**Amount**	Shares	Amount
Authorized:				
Ordinary share (P0.023 par value per share)	**1,200,000,000**	**P27,600,000**	1,200,000,000	P27,600,000
Preferred shares (P0.10 par value per share	**3,000,000,000**	**P300,000,000**	3,000,000,000	P300,000,000
Subscribed and outstanding:				
Ordinary share (P0.023 par value per share)	**1,124,999,969**	**P25,875,000**	1,124,999,969	P25,875,000

As at December 31, 2020 and 2019, the Company has not yet issued any of its 3,000,000,000 preferred shares at P0.10 par value per share amounting to P300,000,000.

Movement in issued and outstanding capital stocks follow:

			Number of Shares
Date	**Activity**	**Issue Price**	**Common Shares**
September 3, 1991	Issuance of capital stocks as of listing date	P2.85	1,124,999,969
			1,124,999,969

Issued and outstanding common shares are held by 472 and 470 equity holders as at December 31, 2020 and 2019.

The Company's preferred shares have the following features:

a. Have the same voting rights as ordinary shares.
b. Have the same dividend rights as ordinary shares.
c. In the event of liquidation, dissolution, receivership, bankruptcy, or winding up of the affairs of the Company, voluntary or involuntary, except in the case of merger or consolidation, the holders of the preferred shares shall be entitled to be paid in full, at par, or ratably, insofar as the assets of the Company will permit, for each share of preferred shares held together with the accumulated and unpaid dividends thereon, in Philippine currency, to the date of distribution, before any distribution shall be made to the holders of ordinary shares; the remaining assets of the Company shall be apportioned to the holders of the ordinary shares.

10. Income Taxes

The Company has no taxable income in 2020 and 2019 hence, no provision for income tax was recognized.

The reconciliation of the benefit from income tax computed at the statutory income tax rate to the actual provision for provision for income tax shown in profit or loss is as follows:

	2020	2019	2018
Losses before income tax	**(P1,088,535)**	(P1,048,021)	(P947,771)
Statutory income tax rate at 30%	**(P326,561)**	(P314,406)	(P284,331)
Adjustment in income tax resulting from the tax effects of the following:			
Unrecognized deferred income tax asset	**326,561**	314,406	214,491
Nondeductible expenses	**-**	-	69,840
	P -	P -	P -

As at December 31, 2020 and 2019, the Company has carryforward benefits of unused NOLCO amounting to P2,851,527 and P2,737,852, respectively, for which no deferred income tax asset was recognized. Management believes that it is not probable that future taxable profits will be available to allow all or part of its deferred income tax asset to be utilized prior to its expiration.

Details of the Company's NOLCO prior to taxable year 2020 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Ending Balance	Expiry Date
2017	P974,860	P -	P -	P974,860	P -	2020
2018	714,971	-	-	-	714,971	2021
2019	1,048,021	-	-	-	1,048,021	2022
	P2,737,852	**P -**	**P -**	**P974,860**	**P1,762,992**	

Pursuant to Section 4(bbbb) of Republic Act (RA) 11494, *Bayanihan to Recover As One Act* and as implemented under Revenue Regulations (RR) No. 25-2020, unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

Details of the Company's NOLCO for the taxable year 2020 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Ending Balance	Expiry Date
2020	**P1,088,535**	**P -**	**P -**	**P -**	**P1,088,535**	**2025**

11. Loss Per Share

The Company's basic loss per share is P0.0010, P0.0009 and P0.0008 as at December 31, 2020, 2019 and 2018, respectively.

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

	2020	2019	2018
Loss used in the calculation of total basic loss per share	**P1,088,535**	P1,048,021	P947,771
Weighted average number of ordinary shares for the purposes of basic loss per share	**1,124,999,969**	1,124,999,969	1,124,999,969

The weighted average number of ordinary shares in 2020, 2019 and 2018 used for the purposes of basic loss per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average
Outstanding shares at the beginning and end of year	1,124,999,969	12/12	1,124,999,969

The Company did not have any potential dilutive instruments as at December 31, 2020, 2019 and 2018.

12. Fair Value Measurements

Fair Value of Financial Liabilities

The carrying amounts and estimated fair values of the Company's financial liabilities as at December 31, 2020 and 2019 are presented below:

	2020		2019	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Accounts payable	**P1,439,000**	**P1,439,000**	P1,439,000	P1,439,000
Accrued expenses	**656,676**	**656,676**	562,576	562,576
Due to related parties	**7,852,438**	**7,852,438**	6,762,212	6,762,212
	P9,948,114	**P9,948,114**	P8,763,788	P8,763,788

The carrying amounts of financial liabilities approximate their fair values due to either the demand feature or relatively short-term duration of these payables.

13. Financial Risk Management Objectives, Policies and Procedures

The Company is exposed to liquidity risk through its financial liabilities. The risks and respective risk management policies employed by the Company to manage this risk are discussed below:

Liquidity Risk Management
Ultimate responsibility for liquidity risk management rests with the BOD, who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. Since there is no operation and no business opportunity at this time, the Company's stockholders have advanced and are willing to advance monies to satisfy the cash requirements of the Company.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted amounts or on the estimated timing of cash flows as at December 31:

	Within 1 Year	
	2020	2019
Accounts payable	**P1,439,000**	P1,439,000
Accrued expenses	**656,676**	562,576
Due to related parties	**7,852,438**	6,762,212
	P9,948,114	P8,763,788

14. Capital Management Objectives, Policies and Procedures

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

The capital structure of the Company consists of total liabilities and equity of the Company.

The Company's BODs review the capital structure of the Company on an annual basis. As part of this review, the BODs consider the cost of capital and the risks associated with each class of capital.

The debt to equity ratio at the end of reporting periods is as follows:

	2020	2019
Debt	**P9,948,114**	P8,763,788
Equity	**14,045,311**	15,133,846
Debt to equity ratio	**0.71:1**	0.58:1

15. Reconciliation of Liabilities from Financing Activity

	2020	2019
Balance, January 1	**P6,762,212**	P5,607,884
Advances received from related parties	**1,090,226**	1,154,328
Balance, December 31	**P7,852,438**	P6,762,212

16. Subsequent Events

Share Swap Transactions
On a special meeting of the Company's BOD on February 19, 2021, the BOD approved the issuance of common shares of the Company, which will be created and issued out of an increase in its authorized capital stock, in exchange for 100% of the outstanding shares of Montosco Inc. ("Montosco"), Meritus Prime Distributions, Inc. ("Meritus") and Premier Wine and Spirits, Inc. ("Premier").

On a special meeting of the Company's BOD on March 15, 2021, the BOD ratified the management's approval of the valuation of three (3) liquor companies of Cosco Capital, Inc. ("Cosco") at P22,500,000,000 to be paid in stocks amounting to 11,250,000,000 common shares at P2.00 per share in exchange for 100% of Cosco's outstanding shares of Montosco, Meritus and Premier, as follows:

- 9,488,444,240 common shares of the Company will be swapped with 7,499,994 common shares of Cosco in Montosco;

- 907,885,074 common shares of the Company will be swapped with 7,499,994 common shares of Cosco in Meritus; and,

- 853,670,686 common shares of the Company will be swapped with 1,499,993 common shares of Cosco in Premier.

On a special meeting of the Company's BOD dated March 29, 2021, the BOD approved the acceptance of proposal of Cosco to subscribe and issue 11,250,000,000 common shares at P2.00 per share and enter into a Deed of Exchange of Shares with Cosco, wherein, in exchange and as a consideration of such issuance, Cosco shall assign 100% of its share in Montosco, Meritus, and Premier.

The Share Swap Transaction will take effect upon approval of the Company's stockholders and the SEC. Upon completion of the Share Swap Transaction, the Company will legally and beneficially own 100% of the outstanding shares of each of Montosco, Meritus and Premier. As a corollary, Cosco will own a controlling equity interest in the Company.

Additional Listing of the Shares and Follow-on Public Offering
In compliance with Section 3 of the Philippine Stock Exchange ("PSE") Rules on Backdoor Listing, and Article V, Part A of the PSE Listing and Disclosure Rules on the Rule on Additional Listing of Shares, the Company must apply for listing with the PSE of the additional shares of stock to be issued in connection with the increase of the capital stock and the Share Swap Transaction to comply with the PSE listing rules. The additional listing of shares without the conduct of a rights or public offering shall be submitted for approval of the stockholders.

Considering that the proposed increase in the authorized capital stock and the Share Swap Transaction will affect the minimum public float of the Company, it intends to conduct a Follow-on Public Offering of its shares as soon as possible after the completion of the Share Swap Transaction to comply with the minimum public ownership requirement under the SEC and the PSE rules.

On a special meeting of the Company's BOD dated March 29, 2021, the BOD authorized the Company to file a request with the SEC for exemptive relief in relation to the mandatory tender offer ("MTO") requirement which may be imposed on Cosco since there is no effective change in control and beneficial ownership in the Corporation after the share swap transaction with Cosco Capital, Inc. and the subscription of Cosco Capital, Inc. is from the increase in authorized capital stock of the Corporation, and thus, not covered by the MTO requirement.

The BOD also authorized the Company to file a request with the Philippine Stock Exchange ("PSE") and the SEC for the grant of a minimum public ownership ("MPO") exemption period, to commence from subscription by Cosco up to the completion of the follow-on offering in order to comply with the MPO of at least 20% public float upon and after listing and to file a request with the Bureau of Internal Revenue ("BIR") for confirmation that Revenue Regulations No. 16-2012 will not apply during the MPO exemption period.

Enactment of CREATE Act

On March 26, 2021, the President of the Philippines has approved the Republic Act (RA) No. 11534, or the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company.

- Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.

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

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

- The imposition of improperly accumulated earnings tax has been repealed.

- Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

On April 8, 2021, the Bureau of Internal Revenue issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR RR No. 2-2021, amending certain provisions of Revenue Regulations No. 2-98, As Amended, to implement the amendments introduced by RA No. 11534 to the National Revenue Code of 1997, as Amended, relative to the final tax on certain passive income.

- BIR RR No. 3-2021, Rules and Regulations implementing Section 3 of RA No. 11534 amending Section 20 of the National Internal Revenue Code of 1997, As Amended.

- BIR RR No. 4-2021, implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax under RA No. 11534 which further amended the National Revenue Code of 1997, as Amended, as implemented by Revenue Regulations No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended.

- BIR RR No. 5-2021, implementing the new income tax rates on the regular income of corporations on certain passive incomes, including additional allowable deductions from gross income of persons engaged in business or practice of profession pursuant to RA No. 11534 which further amended the National Revenue Code (NIRC) of 1997.

The enactment of the CREATE Act is a non-adjusting subsequent event thus, the current and deferred income taxes as at December 31, 2020 are measured using the applicable income tax rates as at December 31, 2020.

The corporate income tax of the Company will be lowered from 30% to 20% for small and medium corporations on which the Company would qualify, effective July 1, 2020. The Company has no taxable income in 2020 and 2019, thus, the reduced rates including the other changes brought about by the Act has no significant impact on the Company's financial statements as at December 31, 2020.

17. Supplementary Information Required by the BIR under Revenue Regulations No. 15-2010

In addition to the disclosures mandated under PFRS, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS. The following are the tax information required for the taxable year ended December 31, 2020:

A. VAT

The Company has no transactions subject to Output VAT.

Input VAT	
Balance at beginning of year	**P663,608**
Current year's domestic purchases:	
a. Goods for resale/manufacture or further processing	-
b. Goods other than for resale or manufacture	-
c. Services lodged under other accounts	**95,791**
Claims for tax credit/refund and other adjustments	-
Balance at end of year	**P759,399**

B. All Other Taxes (Local and National)

Other taxes paid during the year recognized under "Taxes and licenses" Account under Operating Expenses	
License and permit fees	**P500**

C. Tax Cases and Assessments

As at December 31, 2020, the Company has no pending tax cases, nor has it received tax assessment notices from the BIR.

Information on landed cost of imports, customs duties, tariff fees paid or accrued, excise tax, documentary stamp tax, and withholding taxes are not applicable since the Company did not enter into transactions which will result to payment or accrual of such taxes.

KPMG

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and Board of Directors
Da Vinci Capital Holdings, Inc.
No. 900 Romualdez Street
Paco, Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Da Vinci Capital Holdings, Inc.** (the "Company") as at and for the years ended December 31, 2020 and 2019 and have issued our report thereon dated April 16, 2021.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas and calculations, is the responsibility of the Company's management. These financial soundness indicators are not measure of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies.

KPMG

This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the years ended December 31, 2020 and 2019 and no material exceptions were noted (see Annex A).

R.G. MANABAT & CO.

Gregorio I. Sambrano. Jr.

GREGORIO I. SAMBRANO, JR.
Partner
CPA License No. 088825
SEC Accreditation No. 1548-AR-1, Group A, valid until December 17, 2021
Tax Identification No. 152-885-329
BIR Accreditation No. 08-001987-36-2018
Issued September 20, 2018; valid until September 19, 2021
PTR No. MKT 8533918
Issued January 4, 2021 at Makati City

April 16, 2021
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and Board of Directors
Da Vinci Capital Holdings, Inc.
No. 900 Romualdez Street
Paco, Manila

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of **Da Vinci Capital Holdings, Inc.** (the "Company") as at and for the years ended December 31, 2020 and 2019, on which we have rendered our report dated April 16, 2021.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information is the responsibility of the Company's management. Such additional components include:

- Supplementary Schedules of Annex 68-J
- Map of Conglomerate
- Reconciliation of Retained Earnings Available for Dividend declaration of the Company

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until November 21, 2023
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits 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.

R.G. MANABAT & CO.

Gregorio I. Sambrano, Jr.

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Tax Identification No. 152-885-329
BIR Accreditation No. 08-001987-36-2018
  Issued September 20, 2018; valid until September 19, 2021
PTR No. MKT 8533918
  Issued January 4, 2021 at Makati City

April 16, 2021
Makati City, Metro Manila

Annex A

DA VINCI CAPITAL HOLDINGS INC.
AS AT DECEMBER 31, 2020

Ratio	Formula	Years ended December 31	
		2020	2019
Current ratio	Total Current Assets divided by Total Current Liabilities Total current assets P - Divide by: Total current liabilities 9,948,114 -	-	-
Acid-test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total current assets P - Less: Inventories - Other current assets - Quick assets Divide by: Total current liabilities 9,948,114 Acid-test ratio -	-	-
Solvency ratio	Solvency ratio (Profit plus depreciation and amortization over total liabilities) Net income P - Add: Depreciation and amortization - Total - Divide by: Total liabilities 9,948,114 Solvency ratio -	-	-
Debt-to-equity ratio	Debt-to equity ratio (Total liabilities over total equity) Total liabilities P9,948,114 Divide by: Total equity 14,045,311 0.71	**0.71**	0.58
Asset-to-equity ratio	Asset-to-equity ratio (Total assets over total equity) Total assets P23,993,425 Divide by: Total equity 14,045,311 1.71	**1.71**	1.58

Annex A

Ratio	Formula	Years ended December 31	
		2020	2019
Interest rate coverage ratio	Interest rate coverage ratio (Profit before interest and taxes over interest expense) Profit before interest and taxes P - Divide by interest expense - -	-	-
Return on equity	Return on Equity (Net Income by Total Equity) Net income P - Divide by: Total equity 14,045,311 -	-	-
Return on assets	Return on Assets (Net Income by Total Assets) Net income P - Divide by: Total assets 23,993,425 -	-	-
Net profit margin	Net profit margin (Profit over net sales) Net income P - Divide by: Net sales - -	-	-

Annex A

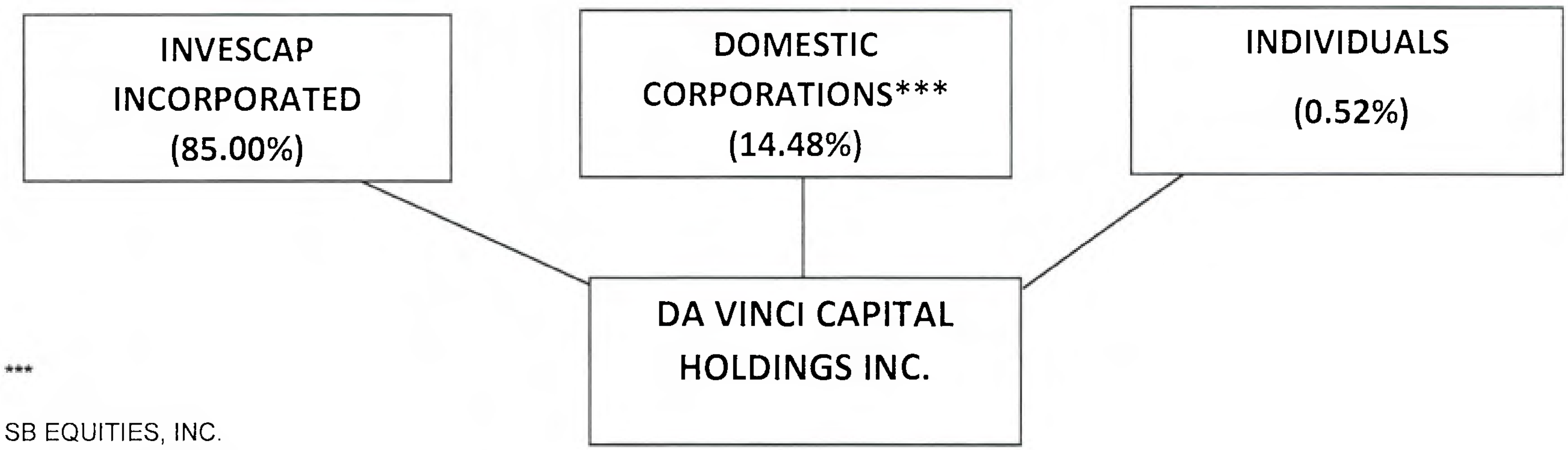
DA VINCI CAPITAL HOLDINGS, INC.
RECONCILATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Year Ended December 31, 2020

NOT APPLICABLE

Da Vinci Capital Holdings, Inc.

Map of Group of Companies Within which the Company Belongs

As at December 31, 2020



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SB EQUITIES, INC.
TOWER SECURITIES, INC.
COL FINANCIAL GROUP, INC.
TGN REAL TY CORP.
GOLDEN TOWER SECURITIES & HOLDINGS, INC.
BDO SECURITIES CORPORATION
KINGS POWER SECURITIES
ABACUS SECURITIES CORPORATION
ASTRA SECURITIES CORPORATION
EVERGREEN STOCK BROKERAGE & SEC, INC.
A & A SECURITIES, INC.
ANSALDO GODINEZ & CO., INC.
TESERO, INC.
FIRST METRO SECURITIES BROKERAGE
BPI SECURITIES CORPORATION
SECURITIES SPECIALIST, INC.
HDI SECURITIES, INC.
PHILSTOCK FINANCIAL INC.
EASTERN SECURITIES DEVELOPMENT CORPORATION

DA VINCI CAPITAL HOLDINGS, INC.
SCHEDULE A. FINANCIAL ASSETS

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at balance sheet date (iii)	Income received and accrued

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.

SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN AFFILIATES)

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.
SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of period

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.
SCHEDULE D. LONG TERM DEBT

Title of Issue and type of obligation (i)	Lender	Outstanding Balance	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Interest Rates	Number of Periodic Installments	Final Maturity

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES (LONG TERM LOANS FROM RELATED PARTIES)

Name of Related Parties (i)	Balance at beginning of period	Balance at end of period (ii)

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.
SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS

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

NOT APPLICABLE

Annex A

DA VINCI CAPITAL HOLDINGS, INC.
SCHEDULE G. CAPITAL STOCK

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of treasury common shares	Number of shares held by affiliates	Directors, officers and employees	Others
Preferred Shares	3,000,000,000	-	-	-	-	-
Common Shares	1,200,000,000	1,124,999,969	-	956,203,336	1,501	-