

JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders:

Please be advised that the Annual Meeting of the Stockholders of **JACKSTONES, INC.** ("Corporation") will be held on **10 June 2024 at 9:00 A.M.** in **593 Antonio Drive, Bagumbayan, Taguig City, Philippines** (please refer to *Annex A* for the registration instructions) to discuss the following:

AGENDA

1. Call to Order;
2. Determination of Existence of Quorum;
3. Approval of Minutes of the 19 June 2023 Annual Stockholders' Meeting;
4. Report of the President;
5. Approval of Audited Financial Statements for Calendar Year ("CY") 2023;
6. Ratification of All Acts and Resolutions of the Board of Directors and Management Adopted from 19 June 2023 to 10 June 2024;
7. Election of Directors (*including the Independent Directors*);
8. Appointment of External Auditor;
9. Reaffirmation of the validity of the Stockholders' Resolution ratifying the Amendment of the Corporation's By-Laws;
10. Consideration of Such Other Business as May Properly Come Before the Meeting; and
11. Adjournment

A brief explanation of each agenda item which requires Stockholders' approval and/or ratification is provided herein. The Information Statement accompanying this Notice contains additional information regarding the agenda items particularly those to be voted upon.

For your convenience in registering your attendance, please refer to the attached "**Annex A**" of this Information Statement.

We are NOT SOLICITING PROXIES. If, however, you would be unable to attend the meeting but would like to be represented thereat, you may accomplish the **attached proxy form**. All proxy forms must be received, either through mailing of hardcopies or through email to mcdelafuente@grubalaw.com, by the Corporate Secretary for inspection and recording not later than **29 May 2024**. Proxies shall be validated on **04 June 2024 at 10:00 A.M.** at the Office of the Corporate Secretary, 27th Floor, 88 Corporate Center Building, 139 Sedeño St, Salcedo Village, Makati, 1227 Metro Manila, whereby the Corporate Secretary shall verify the signature of the Stockholder designating the Proxy and other identification documents presented by the Proxy for recording purposes.

Registration shall start at **8:00 AM** and will close at exactly **8:45 AM**. Only stockholders of record as of **15 May 2024** shall be entitled to vote.

The Organizational Meeting of the Board of Directors will follow soon after the Annual Meeting of the Stockholders with the following agenda:

AGENDA

1. Call to Order;
2. Secretary's Proof of the Notice of the Meeting and Certification of Quorum;
3. Election of Officers;
4. Other Matters; and
5. Adjournment

By order of the Board of Directors,

JUAN MIGUEL VICTOR C. DE LA FUENTE
Corporate Secretary

ANNUAL STOCKHOLDERS' MEETING
10 June 2024

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

Approval of Minutes of the 19 June 2023 Annual Stockholders Meeting

Copies of the Minutes will be distributed to the Stockholders, in accordance with existing regulations, before the Meeting and will be presented to the Stockholders for approval.

Report of the President and Audited Financial Statements for 2023

The Annual Report and the Audited Financial Statements for the preceding fiscal year will be presented to the Stockholders for approval.

Ratification of All Acts and Resolutions of the Board of Directors and Management Adopted During the Preceding Year

The acts of the Corporation's Board of Directors, committees, officers, and management since the last Annual Stockholders' Meeting up to the current Stockholders' Meeting will be presented to the Stockholders for ratification.

Election of Directors (including the Independent Directors)

The new members of the Board of Directors of the Corporation will be duly elected by the Stockholders during the Annual Stockholders' Meeting. A brief description of the respective business experience of the incumbent directors is provided in this Information Statement.

Appointment of External Auditor

The Corporation's external auditor is Isla Lipana & Co., a Philippine member firm of Pricewaterhouse Coopers, and will be nominated for reappointment for the current fiscal year.

Reaffirmation of the validity of the Stockholders' Resolution ratifying the Amendment of the Corporation's By-Laws

Due to the length of time needed for the amendment of the Corporation's By-Laws, Stockholders' Resolution No. 06-2021-Jun14 shall be subject to reaffirmation for it to continue its validity for another year.

Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions by the Stockholders. The Chairman will decide whether matters raised by the Stockholders may be properly taken up in the meeting or in another proper forum.

PROXY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned stockholder of **JACKSTONES, INC.** ("**JAS**") do hereby name, constitute and appoint

[Name of Authorized Signatory]

as my proxy, with right of substitution and revocation, to vote for and in my behalf, all shares registered in my name in the books of **JAS**, or owned by me pursuant to the procedures provided, and to represent me at the Annual Meeting of the Stockholders on 10 June 2024 and at any and all adjournments or postponements thereof, upon any election or question which may lawfully be brought before such meeting, as fully to all intents and purposes as I might do if present and acting in person, hereby ratifying and confirming all that my said proxy shall lawfully do or cause to be done by virtue of these presents.

1. Approval of Minutes of the 19 June 2023 Annual Stockholders Meeting;
 Yes No Abstain
2. Approval of Audited Financial Statements for 2023;
 Yes No Abstain
3. Reaffirmation of the validity of the Stockholder's Resolution approving the amendment of the Corporation's By-Laws;
 Yes No Abstain
4. Election of Directors (including the Independent Directors);
 Yes No Abstain

Mariano Chua Tanenglian	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Aleta So Tanenglian	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Maximilian So Tanenglian	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Vandermir Carnegie Tan Say	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Jonathan A. Ong Carranceja	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Adaline Daryl T. Ong Carranceja	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
William Tiu (<i>Independent Director</i>)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
Santos Tan (<i>Independent Director</i>)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain
William Chong Lee (<i>Independent Director</i>)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Abstain

5. Appointment of External Auditor;
 Yes No Abstain
6. Ratification of All Acts and Resolutions of the Board of Directors and Management Adopted from 19 June 2023 to 10 June 2024; and
 Yes No Abstain
7. Consideration of such other business as may properly come before the Meeting;
 Yes No Abstain

IN CASE OF NON-ATTENDANCE OF MY PROXY NAMED ABOVE OR IN CASE OF IMPROPER EXECUTION OF THIS PROXY, I AUTHORIZE AND EMPOWER THE PRESIDENT OF THE MEETING TO FULLY EXERCISE ALL RIGHTS AS MY PROXY AT SUCH MEETING.

This proxy shall continue until such time as the same is withdrawn by me through notice in writing delivered to the Corporate Secretary at least three (3) working days before the scheduled meeting on 10 June 2024, but shall not apply in instances where I personally attend the meeting.

The undersigned hereby declares that the issuance of this proxy is within the undersigned's powers and authority, which powers and authority are duly registered in accordance with Philippine laws.

IN WITNESS WHEREOF, I have hereunto signed these presents this ___ day of _____, 2024 in _____.

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/AUTHORIZED
SIGNATORY

ADDRESS OF STOCKHOLDER

CONTACT TELEPHONE NUMBER

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. PROXIES EXECUTED BY BROKERS MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER. UPON RECEIPT OF THE CORPORATE SECRETARY OF THE SAID PROXY, IT SHALL VERIFY THE AUTHENTICITY OF THE SIGNATURE OF THE STOCKHOLDER MAKING SUCH PROXY AS WELL AS THE IDENTIFICATION DOCUMENTS PRESENTED.

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 Registrant as specified in its charter:

JACKSTONES, INC. (formerly NEXTSTAGE, INC.)

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

Republic of the Philippines

4. SEC Identification Number:

24986

5. BIR Tax Identification Code:

000-275-073

6. Address of principal office:

593 Antonio Drive, Bagumbayan, Taguig City 1630

7. Registrant's telephone number, including area code:

(+632) 82779455

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

10 June 2024 at 9:00 A.M in 593 Antonio Drive, Bagumbayan, Taguig City, Philippines
(please refer to Annex A)

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

On or before 21 May 2024

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding

Common Stock

250,059,097

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No .

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange / Common Stock

Philippine Stock Exchange

167,559,179

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

Date, Time and Place of Meeting:	10 June 2024 9:00 a.m. 593 Antonio Drive Bagumbayan, Taguig City, Philippines
Complete Mailing Address of the Registrant:	Jackstones, Inc. 593 Antonio Drive Bagumbayan, Taguig City 1630
Approximate date on which the Information Statement is first to be sent or given to Security holders:	On or before 21 May 2024

Item 2. Dissenters' Right of Appraisal

Pursuant to Section 80 of the Revised Corporation Code of the Philippines, any stockholder of the corporation shall have the right to dissent and demand payment of the fair value of his/her shares on any matter that may be acted upon such as in the following instances:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

If, at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any Stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Failure to make a demand within such period shall be deemed a waiver of the appraisal right. The value shall be determined as of the day prior to the date when the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. Upon payment, he must surrender his certificate of stock. No payment shall be made to any dissenting Stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment. Within ten (10) days after demanding payment for his shares, a dissenting Stockholder shall submit to the Corporation the certificate(s) of stock representing his/her shares for notation that the shares are dissenting shares.

No corporate action is being proposed or submitted in the meeting that may call for the exercise of a stockholder's right of appraisal under Title X of the Revised Corporation Code.

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

- a. None of the incumbent directors and officers of the Corporation has any undisclosed substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon;
- b. The Corporation has not received any information from any director that he/she intends to oppose any matter to be acted upon in the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a. The Corporation has 250,059,097 common shares of stock subscribed and outstanding as of 31 March 2024. The Corporation does not have any class of shares other than the said common shares. Each share is entitled to one (1) vote.
- b. Of the 250,059,097 outstanding common shares, 254,046 shares, or about 0.1015944% are owned by foreigners as of 31 March 2024. The Corporation does not have any class of shares other than the said common shares.
- c. All Stockholders of record as of the close of business on 31 March 2023 are entitled to notice of, and to vote at, the Annual Stockholders' Meeting.
- d. Action will be taken with respect to the election of Directors to which persons solicited have cumulative voting rights. At every meeting of the Stockholders of the Corporation, every Stockholder entitled to vote shall be entitled to one vote for each share of stock outstanding in his/her name in the book of the Corporation, except with respect to the election of directors, when each Stockholder may accumulate his votes as provided in the Revised Corporation Code. Every Stockholder entitled to vote at any meeting of Stockholders may vote by proxy as well as in person.
- e. Security ownership Certain Record and Beneficial Owners and Management
 - i. Security ownership of certain record and beneficial owners (more than 5% of voting securities) as of 31 March 2024 are as follows:

Title of Class	Name and Address of Record Owner/Relationship with Issuer	Name of Beneficial Owner/ Relationship with Record Owner	Citizenship	No. of Shares	Percent of Class
Common	<p>Ketton Holdings Inc.</p> <p><i>Bagumbayan, Taguig City</i></p> <p>Ketton Holdings Inc. owns 69.18% of the common shares of Jackstones, Inc.</p>	<p>Ketton Holdings Inc. is a domestic corporation incorporated on 9 October 2014.</p> <p>A proxy will be issued in favor of Ketton Holdings Inc.'s authorized representative to vote its shares.</p>	Filipino	172,981,927	69.18%
Common	<p>PCD Nominee Corporation¹</p> <p><i>G/F Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati City</i></p> <p>No relationship with the Corporation</p>	<p>PCD Nominee Corporation, a wholly-owned subsidiary of the Philippine Depository and Trust Corporation (PDTC), is the registered owner in the books of the Corporation's stock transfer agent. The beneficial owners entitled to the same are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients.</p> <p>The following PDTC participants hold more than 5% of the Corporation's voting securities:</p> <ul style="list-style-type: none"> •Star Alliance Securities Corp. <p>It is expected that PCD Nominee Corporation will issue</p>	Filipino	54,639,759	21.85%

¹ The breakdown of the PCD Nominee Corporation participants is attached herein as "Annex G".

		a proxy in favor of the PDTC Participants. A list of the PDTC Participants as of 31 March 2024 has been attached to this Information Statement.			
Common	Estate of David T. Fernando <i>14 Paraguay Street, Loyola Grand Villas, Quezon City</i> No relationship with the Corporation.	David T. Fernando died in September 2009. The shares are now with the Estate of David Fernando. A proxy was issued to his daughter Catherina Fernando to vote the shares thereof in the Corporation.	Filipino	20,824,419	8.33%

ii. Security Ownership of Management as of 31 March 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Mariano Chua Tanenglian	84,761,144 indirectly owned through <i>Ketton Holdings, Inc.</i>	Filipino	33.8964%
		10,053,540 indirectly owned through <i>Star Alliance Securities Corporation</i>		4.0205%
Common	Aleta So Tanenglian	83,031,325 indirectly owned through <i>Ketton Holdings, Inc.</i>	Filipino	33.2047%
		8,377,950 indirectly owned through <i>Star Alliance Securities Corporation</i>		3.3504%
Common	Maximilian So Tanenglian	1,729,819 indirectly owned through <i>Ketton Holdings, Inc.</i>	Filipino	0.6918%
		1,675,589 indirectly owned through <i>Star Alliance Securities Corporation</i>		0.6701%
Common	Beryl Fayette Tanenglian Say	1,729,819 indirectly owned through <i>Ketton Holdings, Inc.</i>	Filipino	0.6918%
		1,675,590 indirectly owned through <i>Star Alliance Securities Corporation</i>		0.6701%
Common	Adaline Daryl T. Ong Carranceja	1,729,819, indirectly owned through <i>Ketton Holdings, Inc.</i>	Filipino	0.6918%
		1,675,590 indirectly owned through <i>Star Alliance Securities Corporation</i>		0.6701%
Common	Jonathan Siegfried A. Ong-Carranceja	1,675,590 indirectly owned through <i>Star Alliance Securities Corporation</i>	Filipino	0.6701%
Common	Vandermir Carnegie Tan Say	1,675,590 indirectly owned through <i>Star Alliance Securities Corporation</i>	Filipino	0.6701%
Common	Stilwell Tan Sy	1,000 directly owned	Filipino	0.0000%
Common	Amando Musni Velasco	1,000 direct owned	Filipino	0.0000%
Common	William Chong Lee	1 indirectly owned	Filipino	0.0000%
TOTAL		199,793,366		79.8979%

In the past years, Ketton Holdings, Inc. was represented via Proxy by the Corporation's President, Maximilian Tanenglian.

iii. Voting Trust Holders of 5% or more

There are no voting trust holders of 5% or more of the common shares.

iv. Changes in Control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 5. Directors and Executive/Corporate Officers

a. Directors, Executive Officers, Promoters and Control Persons

Directors and Corporate Officers of Jackstones, Inc. as of 31 March 2024:

Name	Age	Position	Citizenship
Mariano Chua Tanenglian	84	Chairman of the Board	Filipino
Aleta So Tanenglian	74	Treasurer	Filipino
Maximilian So Tanenglian	45	President	Filipino
Vandermir Carnegie Tan Say	50	Director	Filipino
Jonathan A. Ong Carranceja	51	Vice President	Filipino
Adaline Daryl T. Ong Carranceja	50	Assistant Corporate Secretary	Filipino
Stilwell Tan Sy	75	Independent Director	Filipino
Amando Musni Velasco	73	Independent Director	Filipino
William Chong Lee	68	Independent Director	Filipino
Juan Miguel Victor C. De La Fuente	43	Corporate Secretary, CIO, Investor Relations Officer	Filipino
Jemimah Christian R. Solomon	30	Assistant CIO	Filipino
Ramtrina Marie C. Adrias	30	Assistant CIO	Filipino
Jennifer B. Balao	54	Compliance Officer	Filipino

All Directors shall hold office until a new Board of Directors is elected during the Corporation's Annual Stockholders' Meeting on 10 June 2024. Further, the following individuals were duly nominated for the membership in the Board of Directors:

1. Mariano Chua Tanenglian
2. Aleta So Tanenglian
3. Maximilian So Tanenglian
4. Vandermir Carnegie Tan Say
5. Jonathan A. Ong Carranceja
6. Adaline Daryl T. Ong Carranceja
7. William Chong Lee (*Independent Director*)
8. Santos Chua Tan (*Independent Director*)
9. William Wong Tiu (*Independent Director*)

Found to possess the qualifications and none of the disqualifications enumerated in the Corporation's Amended By-Laws, the incumbent Independent Directors, as gleaned above, were each recommended by the Chairman of the Board and the President, and were nominated by the Corporate Governance Committee, which stands as the Nomination and Compensation

Committee of the Corporation as well. The Corporate Governance Committee and Nomination and Compensation Committee is currently composed of William Wong Tiu as Chairman, and with Santos Chua Tan, William Chong Lee and Maximilian So Tanenglian as members. The recommending officers are not related to the Independent Directors recommended and nominated.

A certification to the effect that no Director or Officer is connected with any government agency or its instrumentalities is attached to this Information Statement.

The Amended By-Laws of the Corporation, incorporating the procedure for election of Independent Directors, in accordance with Republic Act No. 8799 or the Securities Regulation Code ("SRC") Rule 38 (Requirements on Nomination and Election of Independent Directors), was approved by the Commission on 27 September 2006. The Corporation has adopted and complied with such procedures and regulations.

The business experience of the members of the Board and Executive Officers for the last five (5) years is as follows:

Mariano Chua Tanenglian

Chairman of the Board

Appointment: April 30, 2015 to present

Date of Birth: February 27, 1940

Citizenship: Filipino

Term of Office: 1 year

Period Served: 1 year

Mr. Mariano Chua Tanenglian is currently the CEO of Wonderoad Corp. and the Chairman of Ketton Holdings, Inc. He obtained his Bachelor of Science in Commerce from the Far Eastern University.

Mr. Tanenglian was a Director and a former Treasurer of Allied Banking Corporation. He was also the Chairman of the Board of Oceanic Holdings (BVI) Ltd., a former Vice Chairman and former Treasurer of Philippines Airlines, Inc., as well as a former Vice Chairman of MacroAsia Corporation.

Mr. Tanenglian was also a former Treasurer of several companies, including Foremost Farms, Inc., Manufacturing Services and Trade Corporation, Dominion Realty and Construction Corporation, Asia Brewery, Inc., Progressive Farms, Inc., Himmel Industries, Inc., Grandspan Development Corporation, Allied Commercial Bank, Fortune Tobacco Corporation, Shareholdings, Inc., The Charter House, Inc., and Lucky Travel Corporation. He was also a Treasurer/Director of Allied Bankers Insurance Corporation, Allied Leasing and Finance Corporation, and Pan-Asia Securities Corporation. Mr. Tanenglian was a former Director of Abacus Distribution System Phils., Inc., Tanduay Distillery, Inc., Asian Alcohol Corporation, Allied Banking Corporation (HK) Ltd., Oceanic Bank, Maranaw Hotels and Resort Corporation, Basic Holdings Corporation, Allied Bank Phils., (UK) PLC and Macroasia Eurest Catering Services, Inc.

Aleta So Tanenglian

Treasurer

Appointment: April 30, 2015 to present

Citizenship: Filipino

Term of Office: 1 year

Period Served: 1 year

Ms. Aleta So Tanenglian holds a Bachelor's degree in Accountancy. She is the current president of Wonderoad Corporation.

Maximilian So Tanenglian

President

Appointment: April 30, 2015 to present

Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Mr. Maximilian So Tanenglian is the general manager for the Swiftstar group of companies since 2008 to present. The group is involved in the logistics and security industries providing products and services like but not limited to third party logistics services, security system design, and supply and business continuity program consultancy.

Vandermir Carnegie Tan Say

Director
Appointment: April 30, 2015 to present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Mr. Vandermir Carnegie Tan Say, CFA, MCom (Hons)(Fin), Grad Dip (Bkg & Fin), is currently the President of Wimax Philippines Inc. He is also a Director of Toaster BrainWorks Lab Inc., and Sevenofus Foods Inc.

Aside from being a Director and the Assistant Vice President of Jackstones, Inc., Mr. Say was the President of the CFA Society of the Philippines in 2008, and Treasurer of the same society in 2007. Mr. Say is a Chartered Financial Analyst of the CFA Institute and a Director of the BEVA Pte Ltd in Singapore.

Mr. Say was previously the Vice President of Citigroup, an Associate Director of UBS AG, an Analyst for Corporate Finance of UBS Warburg, an Equity Analyst for SBC Warburg Dillon Read, and a Research Assistant for Cualoping Securities Corporation.

He received his Master of Commerce in Finance and graduated with honors from the Melbourne Business School, of The University of Melbourne. He also received a Graduate Diploma in Banking and Finance from Monash University. He attained his Bachelor of Science in Management, Major in Legal Management, from the Ateneo de Manila University and was a Merit Scholar.

Jonathan A. Ong Carranceja

Vice President
Appointment: April 30, 2015 to present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Mr. Jonathan Ong Carranceja is the current President of SG&D Global Transport Inc., a freight forwarding company. He is also the President of Reach High Dig Deep General Merchandising Corp., a company dealing with industrial products.

Mr. Ong Carranceja was the Former Assistant Manager of Far Eastern Diesel Supply Co. and the Former Asst. Manager of Kirsiphider Co. Inc. He obtained a Bachelor of Arts in Asian Studies.

Adaline Daryl T. Ong Carranceja

Assistant Corporate Secretary
Appointment: April 30, 2015 to present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Ms. Adaline Ong Carranceja is the current President of Spyder Creative Works, Inc. – a graphic design company and supplier of social invitation. She is also the current Corporate Secretary of SG&D Global Transport Inc. Ms. Ong Carranceja obtained a Bachelor's degree in Fine Arts.

William Chong Lee

Independent Director
Appointment: June 13, 2017 to present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Mr. William Lee was the Senior Vice President and overall Head of LTGC Purchasing Group of Fortune Tobacco Corporation. He was also the Senior Vice President for Logistic and Purchasing Department and Special Assistant to the Chairman of Philippine Airlines. He was also Senior Vice President for Logistics for Asia Brewery, Inc. and concurrent Special Assistant to the Chairman and CEO of Philippine Airlines.

A copy of the Certification of Qualification of Independent Director is attached herewith as "**Annex B**".

Two of the incumbent Independent Directors are Mr. Stilwell Tan Sy and Mr. Amando Musni Velasco. Their respective business experiences are as follows:

Stilwell Tan Sy

Independent Director
Appointment: April 30, 2015 to present
Term of Office: 1 year
Period Served: 1 year

Mr. Stilwell Tan Sy is currently the President of Stilwell Commercial Corporation. He has also been an Independent Director of Quality Investments & Securities Corporation from 2012 to date.

Amando Musni Velasco

Independent Director
Appointment: April 30, 2015 to present
Term of Office: 1 year
Period Served: 1 year

Mr. Amando Velasco is currently the Corporate Secretary of Parisson Development Corporation. He has occupied said position from 2013 to date. He has also been the Manager of Greatwall Jewelry since 2005.

As their respective terms of office are set to expire by the date of the annual stockholder's meeting, replacements for Mr. Stilwell Tan Sy and Mr. Amando Musni Velasco have been evaluated and nominated. The said nominees were Mr. Santos Chua Tan and Mr. William Wong Tiu. Their respective profiles are as follows:

Santos Chua Tan

Independent Director
Appointment: June 10, 2024
Citizenship: Filipino
Term of Office: 1 year
Period Served: *To be nominated*

Mr. Santos Chua Tan holds a bachelor's degree in Commerce from Far Eastern University. HE is currently the VP for External Affairs of two companies namely, Basic Holdings Corporation and Fortune Tobacco Corp.

A copy of the Certification of Qualification of Independent Director is attached herewith as "**Annex C**".

William Wong Tiu

Independent Director
Appointment: June 10, 2024
Citizenship: Filipino
Term of Office: 1 year
Period Served: *To be nominated*

Mr. William Wong Tiu holds a bachelor's degree in Computer Science and is currently the Manager/Officer-In-Charge of Chinese Journal Today Publication Inc. He was also the Assistant Vice President for Warehouse Management of Philippine Airlines from 2004 up to 2013. Prior to these, he was the Manager of Purchasing for Macroasia Catering Services, Inc., a Senior Manager of General Services of the Philippine National Bank, Manager of Purchasing for Philippines Airlines and a Senior Auditor for Basic Holdings Corporation.

A copy of the Certification of Qualification of Independent Director is attached herewith as "**Annex D**".

Juan Miguel Victor C. De La Fuente

Corporate Secretary and CIO
Appointment: 24 June 2019 to the present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Atty. Juan Miguel Victor De La Fuente graduated with a Juris Doctor degree from the Ateneo De Manila University School of Law. He specializes in Taxation and Corporate Practice.

Atty. De La Fuente also serves as a general counsel for a group of Philippine companies engaged in gaming and leisure operations and advises a domestic outsourcing information technology firm in connection with its initial public offer. He is also currently a Director of Rural Bank of Atimonan.

Jemimah Christian R. Solomon

Assistant CIO
Appointment: 19 June 2023 to the present
Citizenship: Filipino
Term of Office: 1 year
Period Served: 1 year

Atty. Jemimah Solomon specializes in general corporate law, taxation, and litigation and dispute resolution. She handles matters such as incorporation of domestic and foreign corporations and drafting and assisting clients on their corporate documentations and reportorial requirements to various government agencies.

Atty. Solomon also advises a publicly listed company in its corporate disclosures and policy implementations, and also represents the latter before the Securities and Exchange Commission and the Philippine Stock Exchange on matters concerning the company's compliance with the Securities and Regulations Code and Code of Corporate Governance for Publicly Listed Companies.

Atty. Solomon graduated with a Bachelor of Science degree in Management at the Ateneo de Manila University. She pursued further studies in law and graduated a salutatorian from Lyceum of the Philippine College of Law. She was admitted to the Philippine Bar in 2022.

Ramtrina Marie C. Adrias

Assistant CIO
Appointment: 19 June 2023 to the present
Citizenship: Filipino
Term of Office: 1 year

Period Served: 1 year

Atty. Ramtrina Adrias specializes in general corporate law, taxation, and litigation and dispute resolution. She handles matters such as drafting and managing client's corporate documents and reporting requirements to different government agencies.

Atty. Adrias also advises a publicly listed company in its corporate disclosures and policy implementations, and also represents the latter before the Securities and Exchange Commission and the Philippine Stock Exchange on matters concerning the company's compliance with the Securities and Regulations Code and Code of Corporate Governance for Publicly Listed Companies.

Atty. Adrias graduated with degrees in Bachelor of Science in Applied Economics and Bachelor of Science in Applied Corporate Management at the De La Salle University Manila. She pursued further studies and graduated with a Juris Doctor degree from the Ateneo De Manila University School of Law. She was admitted to the Philippine Bar in 2022.

Jennifer B. Balao

Compliance Officer

Appointment: June 30, 2023 to the present

Citizenship: Filipino

Term of Office: 1 year

Period Served: 1 year

Ms. Jennifer B. Balao is a Certified Public Accountant and completed her Bachelor's Degree of Accountancy from Polytechnic University of the Philippines. She pursued further studies and has a Master of Business Administration units from De La Salle University's Graduate School of Business. She has 30 years of experience in the field of Finance and Accounting in various industries, 15 years in the trading industry, 9 years in retail business and 7 years in real estate and asset management.

b. Significant Employees

The Corporation is not highly dependent on any individual who is not an executive officer.

The Corporation has five (5) regular employees namely: (1) Maximilian Tanenglian; (2) Vandermir Carnegie Tan Say; (3) Beryl Fayette Tanenglian Say; (4) Adaline Daryl T. Ong Carranceja; and (5) Juan Miguel Victor C. Dela Fuente.

The record keeping of its transactions is outsourced to a third-party consultant.

c. Family Relationships

Mariano Chua Tanenglian is married to Aleta So Tanenglian; and the father of Beryl Fayette Tanenglian Say, Maximilian So Tanenglian, and Adaline Daryl T. Ong Carranceja.

Maximilian So Tanenglian, Beryl Fayette Tanenglian Say and Adaline Daryl T. Ong Carranceja are siblings.

Beryl Fayette Tanenglian Say is married to Vandermir Carnegie Tan Say.

Adaline Daryl T. Ong Carranceja is married to Jonathan A. Ong Carranceja.

There are no other family relationships known to the registrant other than those that have been disclosed above.

d. Involvement in Certain Legal Proceedings

To the best of the Corporation's knowledge and belief and after due inquiry, and except as otherwise disclosed, none of the directors or the executive officers have, during the last five years and to date, been subject to any of the following:

- i. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- ii. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- iii. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- iv. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

e. Interest on Certain Matters to be Acted Upon

No director or officer of Jackstones has undisclosed substantial interest, direct or indirect, in any matter to be acted upon in the meeting.

f. Certain Relationship and Related Transactions

There are no transactions with or involving the Corporation or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest during the last two (2) years.

Item 6. Compensation of Directors and Executive Officers

According to the Amended By-laws of the Corporation, as approved by the SEC on July 6, 2015, a per diem of Two Thousand Pesos (Php2,000.00) shall be granted to each Director for their attendance in a regular or special board meeting.

There are no arrangements for additional compensation of directors other than that provided in the Corporation's Amended By-Laws.

The Corporation does not have, as of the moment, a retirement plan. As such, there is no executive officer with contracts or with compensatory plan or arrangement having terms or compensation significantly dissimilar to the regular compensation package, or separation benefits under the Corporation's group retirement plan, for the managerial employees of the Corporation.

There are no Outstanding Warrants or Options held by the Directors and Executive Officers.

a. Executive Compensation

The compensation for its executive officers for the years 2022, 2023 (actual), 2024 (projected) and 2025 (projected) are shown below:

ALL OFFICERS	
Year	Directors' Fees (Php)
2025 (estimated)	Php72,000.00
2024 (estimated)	Php72,000.00
2023	Php72,000.00
2022	Php72,000.00

CEO AND FOUR MOST HIGHLY COMPENSATED OFFICERS	
Year	Directors' Fees (Php)
2025 (estimated)	Php2,360,712.48
2024 (estimated)	Php2,360,712.48
2023	Php2,360,712.48
2022	Php2,360,712.48

Note that the aggregate amount of compensation paid in 2022 and 2023 and estimated amount expected to be paid in 2024 and 2025, as presented in the above table, are for the following executive officers:

Officer	Position	Monthly salary	Bonus
Maximilian Tanenglian	President	Php30,000.00	Php15,000.00
Vandermir Carnegie Tan Say	Consultant	Php15,000.00	Php15,000.00
Adaline Daryl T. Ong Carranceja	Assistant Corporate Secretary	Php15,000.00	Php15,000.00
Beryl Fayette Tanenglian Say	Consultant	Php15,000.00	Php15,000.00
Juan Miguel Victor Dela Fuente	Corporate Secretary, CIO, Investor Relations Officer	Php115,476.00	-

ALL OFFICERS			
Year	Salary/Bonus (Php)	Others (Php)	Total Amount (Php)
2025 (estimated)	Php2,360,712.48	Php72,000.00	Php2,432,712.48
2024 (estimated)	Php2,360,712.48	Php72,000.00	Php2,432,712.48
2023	Php2,360,712.48	Php72,000.00	Php2,432,712.48
2022	Php2,360,712.48	Php72,000.00	Php2,432,712.48

Item 7. Independent Public Accountants

The appointment, approval, or ratification of the Corporation's independent public external auditor will be submitted to the shareholders for ratification at the Annual Stockholders' Meeting on 10 June 2024.

The Audit Committee has recommended, and the Board of Directors has approved, the reappointment of the auditing firm of Isla Lipana & Co. For the Audited Financial Statements for 2023, the certifying partner was Mr. Dennis M. Malco.

Isla Lipana & Co. took over from SGV & Co. in 2003 upon its appointment at the shareholders' meeting in 26 November 2003. The certifying partner of Isla Lipana & Co. primarily responsible for the audit of the Corporation's financial accounts is rotated at least once every five (5) years, with a two (2) year cooling off period as applicable, in accordance with SRC Rule 68, Part 3(b)(iv)(ix).

The Corporation's Audited Financial Statements for 2023 as certified by Mr. Mr. Dennis M. Malco, is attached to this Information Statement as an Exhibit to the Annual Report. The Corporation has been advised that the auditors of Isla Lipana & Co. assigned to render audit related services have no shareholdings in the Corporation, or a right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Corporation, consistent with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

Representatives of Isla Lipana & Co. are expected to be present at the scheduled stockholders meeting. They will have the opportunity to make a statement should they desire to do so and will be available to respond to appropriate questions.

a. External Audit Fees and Services

Audit and Audit-Related Fees

For 2023, the external auditors were engaged primarily to express an opinion on the financial statements of the Corporation. The procedures conducted for this engagements included those

that are necessary under auditing standards generally accepted in the Philippines but did not include detailed verification of the accuracy and completeness of the reported income and costs and expenses. The audit fees for these services were Php150,000.00, plus 12% Value Added Tax each for CY 2023 and CY 2022.

Tax Fees

The Corporation did not engage the external auditors for any service related to tax accounting, compliance, advice, planning or any other form of tax services for 2023 and 2022.

All Other Fees

The Corporation did not engage the external auditors for any other service other than those described in the audit and audit-related fees above for 2023 and 2022.

Audit Committee's Approval Policies and Procedures

The Corporation's incumbent Audit Committee is composed of Mr. William Chong Lee (Chairman / Independent Director), Mr. Amando Musni Velasco (Independent Director), Mr. Stilwell Tan Sy (Independent Director) and Ms. Aleta So Tanenglian as members.

The Audit Committee was incorporated on April 2015. An Audit Committee Charter in compliance with SEC Memorandum Circular No. 4, Series of 2012 or the Guidelines for Assessment of Performance of Audit Committees of Companies Listed on the Exchange was approved and adopted by the Corporation last 27 December 2019. The Audit Committee's approval policies and procedures for external audit fees and services are stated in the Corporation's Audit Committee Charter. As stated further in the Audit Committee Charter, the Audit Committee performs oversight functions over the Corporation's external auditors. Prior to the commencement of audit work, the independent accountants shall make a presentation of their audit program and schedule to the Audit Committee, including a discussion of anticipated issues on the audit work to be done.

After audit work, the independent accountants shall present its comprehensive report discussing the work carried out, areas of interest and their key findings and observations to the Audit Committee.

The independent accountants shall also prepare reports based on agreed upon procedures on the Corporation's quarterly financial results. The reports shall be presented to the Audit Committee for their approval and endorsement to the Board of Directors.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There was no change in the Corporation's independent accountants during the two most recent calendar years.

SRC Rule 68, Part 3(b)(iv)(ix) provides that "[t]he independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor." The Corporation is compliant with this rule.

There has been no disagreement with the independent accountants on accounting and financial disclosure.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange

As previously approved by the SEC last 7 February 2018, the Corporation amended the Seventh Article of its Articles of Incorporation increasing its authorized capital stock from Php170,000,000.00

divided into 170,000,000 shares with a par value of Php1.00 per share to Php500,000,000.00 divided into 500,000,000 shares with a par value of Php1.00 per share. Out of the said increase, 82,500,000 shares had been subscribed and partially paid by Ketton Holdings, Inc. The rest of the shares will be applied for listing at a future date as a secondary offering to be sold to the investing public.

There is no preferred stock offered.

No additional movement in the securities issued by the Corporation occurred for 2023 and until 31 March 2024.

Item 10. Modification or Exchange of Securities.

There is no action to be taken with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

A. Information Required

1. The Annual Report and Financial Statements for Fiscal Year 2023 are attached herewith as **“Annex E”**.
2. Kindly refer to **“Annex F”** for Management’s Discussion and Analysis and Plan of Operation.
3. Representatives of the principal accountants for the recently completed fiscal year, Isla Lipana & Co., are expected to be present at the Annual Meeting of the Shareholders on 10 June 2024.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

There is no Stockholders’ action to be taken with regard to the following: (1) the merger or consolidation of the Corporation into or with any other person or of any other person into or with the Corporation; (2) the acquisition by the Corporation or any of its security holders of securities of another person; (3) the acquisition by the Corporation of any other going business or of the assets thereof; (4) the sale or other transfer of all or any substantial part of the assets of the Corporation; and (5) the liquidation or dissolution of the Corporation.

Also, the Corporation’s shares are being traded before the Philippine Stock Exchange, the only stock exchange in the Philippines with business address at PSE Tower, 5th Avenue cor. 28th Street, Bonifacio Global City, Taguig City.

As appearing in the records of the PSE, the quarterly price history of the shares of the Corporation for the past two (2) fiscal years are as follows:

Quarter	High	Low
1 January 2022 to 31 March 2022	1.84000	1.59000
1 April 2022 to 30 June 2022	1.82000	1.52000
1 July 2022 to 30 September 2022	1.76000	1.43000
1 October 2022 to 31 December 2022	1.66000	1.32000
1 January 2023 to 31 March 2023	1.77000	1.20000
1 April 2023 to 30 June 2023	1.79000	1.31000
1 July 2023 to 30 September 2023	1.73000	0.72000
1 October 2023 to 31 December 2023	1.06000	1.04000
1 January 2024 to 31 March 2024	1.11000	0.75000

Further, the Corporation did not have any of the following for 2023:

- a. any sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction; and

- b. any declaration of cash dividends or other dividends, or any restriction that limit the payment of dividend on the shares of the Corporation.

Item 13. Acquisition or Disposition of Property

There is no action to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following matters are included in the agenda of the Annual Stockholders' Meeting for the approval of the stockholders:

- a. Approval of Minutes of the 19 June 2023 Annual Stockholders' Meeting;
- b. Report of the President;
- c. Approval of the Annual Report and the Audited Financial Statements for 2023;
- d. Ratification of All Acts and Resolutions of the Board of Directors and Management Adopted from 19 June 2023 to 10 June 2024;
- e. Election of Directors (including the Independent Directors);
- f. Appointment of External Auditor;
- g. Reaffirmation of the validity of the Stockholders' Resolution ratifying the amendment of the Corporation's By-Laws.

As for the reaffirmation of the validity of Stockholders' Resolution No. 06-2021-Jun14 approving the amendment of the Corporation's By-Laws, this agenda item is reproduced for this year's ASM to keep the option of amending the Corporation's By-Laws open, should the Corporation decide to proceed with the same.

The resolution is hereby reproduced for the Stockholders' consideration:

Stockholders' Resolution No. 06-2021-Jun14

RESOLVED, AS IT IS HEREBY RESOLVED, that the stockholders of JACKSTONES, INC. ("**Company**"), by a vote of 196,442,187 shares out of 250,059,097 shares of the Company's outstanding capital stock, representing 78.5583% hereby approve and confirm the amendments to Article III, Sections 1, 2, 4, and 5 of the Company's By-Laws, and will now be read as follows:

By-Laws Section	Present Provisions	New Wordings
Section 1	General - The Officers of the Corporation shall be composed of a Chairman, a President, a Vice-President, a Secretary, and a Treasurer. The Board of Directors may also appoint additional officers as may deem necessary. All officers except the Chairman, the President and the Vice-President shall be non-members of the Board of Directors and shall be elected to their offices by a majority vote of the Board of Directors. To the discretion of the Board of Directors, any person may be elected or appointed to one or more offices, provided that the functions are	General - The Officers of the Corporation shall be composed of a Chairman, a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also appoint additional officers as may deem necessary. All officers, except the Chairman, the President and the Vice President and the President, shall be non-members of the Board of Directors and shall be elected to their offices by a majority vote of the Board of Directors. To the discretion of the Board of Directors, any person may be elected or appointed to one or more offices, provided that the functions are not

	not incompatible. Any vacancy which may occur in such offices may be filled by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for the purpose.	incompatible. Any vacancy which may occur in such offices may be filled by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for the purpose.
Section 2	Election - The newly elected Board of Directors, at its first meeting after the annual meeting of the stockholders, shall elect the officers of the Corporation, namely: a Chairman, a President, a Vice President, one or more Assistant Vice-Presidents, a Secretary and a Treasurer. Additional officers may be appointed at such meeting, or at any special meeting called for the purpose. All officers so elected or appointed shall hold office until their respective successors shall have been elected or appointed and shall have been qualified as such.	Election - The newly elected Board of Directors, at its first meeting after the annual meeting of the stockholders, shall elect the officers of the Corporation, namely: a Chairman, a President, a Vice President, one or more Assistant Vice-Presidents, a Secretary, and a Treasurer. Additional officers may be appointed at such meeting, or at any special meeting called for the purpose. All officers so elected or appointed shall hold office until their respective successors shall have been elected or appointed and shall have been qualified as such.
Section 4	Vice-President - The Vice-President shall be elected by the Board of Directors from its own numbers. He shall be vested with the powers and authorities of and required to perform all the duties of the President during the absence or incapability of the latter for any cause, and shall also perform such other duties as the Board of Directors or the President may from time to time assign to him.	<i>[To be totally deleted]</i>
Section 5	Assistant Vice Presidents - The Assistant Vice Presidents shall be elected by the Board of Directors and he may or may not be a stockholder of the Corporation and shall not be a member of the Board of Directors. They shall exercise such privileges and perform such duties as the Board of Directors or the President may provide or assign to them in its discretion.	<i>[To be totally deleted]</i>

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the meeting that will not require the vote of the Stockholders as of the record date.

Item 17. Amendment of Charter, By-Laws or Other Documents

Aside from the items to be amended in the By-Laws as thoroughly discussed in Item 15 of this Information Statement, there are no matters or actions to be taken up in the meeting with respect to any amendment of the Corporation's Articles of Incorporation or By-laws.

Item 18. Other Proposed Action

After the Annual Stockholders' Meeting, the appointment of the officers for the present fiscal year will ensue.

Item 19. Voting Procedures

- a. Every Shareholder shall be entitled to one (1) vote for each share of stock standing in his name on the books of registrant, unless the law provides otherwise. Cumulative voting may be used in the election of the members of the Board of Directors.
- b. The votes required for (1) ratification of reports, acts, and resolutions of the Board of Directors and Management, and (2) appointment of external auditor shall be the majority vote of the Shareholders.
- c. Voting shall be conducted either onsite or online. Onsite voting is reserved for shareholders who will be physically present during the Annual Stockholders' Meeting on 10 June 2024, whereas in online voting will be facilitated for those participating remotely in accordance with the instructions provided in Annex A herein. The tallying and counting of votes shall be conducted by the Corporate Secretary (or his duly authorized representative).

In relation to the said procedures, the results of last year's Annual Stockholders' Meeting were as follows:

- a. The voting stockholders casted their vote in absentia from the period of 01 June 2023 to 12 June 2023. The result of the voting in absentia were tallied by the Nomination and Compensation Committee.
- b. Among other results approved, as disclosed in the PSE Edge, were as follows:
 - The Minutes of the previous Annual Stockholders' Meeting held last 19 June 2023;
 - Re-ratification of the Amendment of the Company's By-Laws, which now reads as follows:

By-Laws Section	Present Provisions	New Wordings
Section 1	General - The Officers of the Corporation shall be composed of a Chairman, a President, a Vice-President, a Secretary, and a Treasurer. The Board of Directors may also appoint additional officers as may deem necessary. All officers except the Chairman, the President and the Vice-President shall be non-members of the Board of Directors and shall be elected to their offices by a majority vote of the Board of Directors. To the discretion of the Board of Directors, any person may be elected or appointed to one or more offices, provided that the functions are not incompatible. Any vacancy which may occur in such offices may be filled by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for the purpose.	General - The Officers of the Corporation shall be composed of a Chairman, a President, a Vice-President , a Secretary, and a Treasurer. The Board of Directors may also appoint additional officers as may deem necessary. All officers, except the Chairman, the President and the Vice-President and the President, shall be non-members of the Board of Directors and shall be elected to their offices by a majority vote of the Board of Directors. To the discretion of the Board of Directors, any person may be elected or appointed to one or more offices, provided that the functions are not incompatible. Any vacancy which may occur in such offices may be filled by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for the purpose.
Section 2	Election - The newly elected Board of Directors, at its first meeting after the annual meeting of the stockholders, shall elect the officers of the Corporation, namely: a Chairman, a President, a Vice President, one or more Assistant Vice-Presidents, a Secretary and a Treasurer. Additional officers may be appointed at such meeting, or at any special meeting called for the purpose. All officers so elected or appointed shall hold office until their respective successors shall have been elected or appointed and shall have been qualified as such.	Election - The newly elected Board of Directors, at its first meeting after the annual meeting of the stockholders, shall elect the officers of the Corporation, namely: a Chairman, a President, a Vice President, one or more Assistant Vice-Presidents , a Secretary, and a Treasurer. Additional officers may be appointed at such meeting, or at any special meeting called for the purpose. All officers so elected or appointed shall hold office until their respective successors shall have been elected or appointed and shall have been qualified as such.
Section 4	Vice-President - The Vice-President shall be elected by the Board of Directors from	[To be totally deleted]

	its own numbers. He shall be vested with the powers and authorities of and required to perform all the duties of the President during the absence or incapability of the latter for any cause, and shall also perform such other duties as the Board of Directors or the President may from time to time assign to him.	
Section 5	Assistant Vice Presidents - The Assistant Vice Presidents shall be elected by the Board of Directors and he may or may not be a stockholder of the Corporation and shall not be a member of the Board of Directors. They shall exercise such privileges and perform such duties as the Board of Directors or the President may provide or assign to them in its discretion.	[To be totally deleted]

- The President's Report and the Audited Financial Statements for the calendar year ended 31 December 2023;
- Ratification of all acts and resolutions of the Board of Directors, Officers, and the Management of the Company during the preceding year;
- The election of the following directors to serve as such for the succeeding year and until the election and qualification of their successor(s):
 - Mariano Chua Tanenglian
 - Aleta So Tanenglian;
 - Maximilian So Tanenglian;
 - Vandermir Carnegie Tan Say;
 - Jonathan A. Ong Carranceja;
 - Adaline Daryl T. Ong Carranceja;
 - Stilwell Tan Sy;
 - Amando Musni Velasco; and
 - William Chong Lee
Stilwell Tan Sy, Amando Musni Velasco, and William Chong Lee were elected as Independent Directors.
- The re-appointment of Isla Lipana & Co. (member firm of PricewaterhouseCoopers) as external auditor of the Company for the ensuing year.

All of the foregoing results were unanimously approved by the Board of Directors and unanimously ratified by the attending Stockholders, namely:

Stockholder	Shares Owned (direct)	Shares Owned (indirect)	Total
Ketton Holdings, Inc.	172,981,927		172,981,927
Mariano Chua Tanenglian		10,053,540	10,053,540
Aleta So Tanenglian*		8,377,950	8,377,950
Maximilian Tanenglian		1,675,589	1,675,589
Jonathan Ong-Carranceja		1,675,590	1,675,590
Adaline Ong-Carranceja*		1,675,590	1,675,590
Vandermir Tan Say		1,675,590	1,675,590
Beryl Tanenglian Say*		1,675,590	1,675,590
Stilwell Tan Sy	1,000		1,000
Amando Musni Velasco	1,000		1,000
William Chong Lee	1		1
Total	172,983,927	26,809,440	199,793,367

*attendance via proxy

- c. The Chairman gave the attending Stockholders an opportunity to ask questions, queries, or clarifications. There were no additional questions, queries, or clarifications raised by the attending Stockholders.
- d. The voting results for each agenda item are as follows:

- The Minutes of the previous Annual Stockholders' Meeting held last 19 June 2023;

Yay	Nay	Abstain
199,793,367	0	0
79.8985%	0%	0%

- The President's Report and the Audited Financial Statements for the calendar year ended 31 December 2023;

Yay	Nay	Abstain
199,793,367	0	0
79.8985%	0%	0%

- Ratification of all acts and resolutions of the Board of Directors, Officers, and the Management of the Company during the preceding year;

Yay	Nay	Abstain
199,793,367	0	0
79.8985%	0%	0%

- The election of the directors to serve as such for the succeeding year and until the election and qualification of their successor(s):

Nominee	No. of Votes
Mariano Chua Tanenglian	199,793,367
Aleta So Tanenglian	199,793,367
Maximilian Tanenglian	199,793,367
Adaline Daryl T. Ong Carranceja	199,793,367
Jonathan Ong-Carranceja	199,793,367
Vandermir Carnegie Tan Say	199,793,367
Amando Musni Velasco	199,793,367
Stilwell Tan Sy	199,793,367
William Chong Lee	199,793,367
Total Votes	1,798,140,303

- The re-appointment of Isla Lipana & Co. (member firm of PricewaterhouseCoopers) as external auditor of the Company for the ensuing year.

Yay	Nay	Abstain
199,793,367	0	0
79.8985%	0%	0%

- Re-affirmation of the Validity of the Stockholder's Resolution Approving the By-Laws' Amendment

Yay	Nay	Abstain
199,793,367	0	0
79.8985%	0%	0%

- e. A summary of the appraisals and performance report for the Board is reproduced below:

	Board	Board Committees	Individual Members	Chairman	Management
Maximilian Tanenglian	4.0952	4.0000	4.9444	N/A	4.6250
Mariano Tanenglian	4.1905	5.0000	4.9444	5.0000	4.6875
Stilwell Tan	3.9524	3.6667	4.0000	N/A	N/A
Jonathan Ong Carranceja	3.9524	4.0000	4.0000	N/A	N/A
Amando Musni Velasco	4.0000	3.6667	4.0000	N/A	N/A
Willian Chong Lee	4.0000	3.5556	4.0000	N/A	N/A

Item 20. Participation of Stockholders by Remote Communication

Considering that some stockholders still face health risks associated with attending in person, the Corporation will maintain the option for remote communication to accommodate their needs. This measure aims to prioritize the safety and well-being of these stockholders.

In order for the Corporation to properly conduct validation procedures, stockholders who have not sent their proxies or registered on the voting in absentia website wish to participate via remote communication must notify the Corporation by email to mcdelafuente@grubalaw.com on or before 29 May 2024.

Please refer to "Annex A" for the detailed guidelines for participation via remote communication and the procedures for registration.

UPON WRITTEN REQUEST OF THE STOCKHOLDER, THE CORPORATION UNDERTAKES TO FURNISH SAID STOCKHOLDER WITH A COPY OF THE CORPORATION'S ANNUAL REPORT ON SEC FORM 17-A, AS FILED WITH THE SEC, FREE OF CHARGE. ANY WRITTEN REQUEST SHALL BE ADDRESSED TO:

JUAN MIGUEL VICTOR C. DE LA FUENTE
Corporate Secretary

JACKSTONES, INC.
c/o 27th Floor, 88 Corporate Center Building,
139 Sedenio St, Salcedo Village, Makati,
1227 Metro Manila

PART III.

SIGNATURE PAGE

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 the City of Makati on 30th day of May 2024.

JACKSTONES, INC.

By:

JUAN MIGUEL VICTOR C. DE LA FUENTE
Corporate Secretary and CIO



JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

Annex A

2024 ANNUAL STOCKHOLDERS' MEETING OF JACKSTONES, INC. PROCEDURES FOR REGISTRATION AND PARTICIPATION

1. Stockholders may register for the 10 June 2024 Annual Stockholders' Meeting by emailing the following information at investorrelations@jackstonesinc.com starting 19 May 2024 to 03 June 2024:

For individual Stockholders:

- a. Complete Name (Last Name, First Name, Middle Name);
- b. Birthdate;
- c. Address;
- d. Mobile Number;
- e. Phone Number;
- f. Email Address;
- g. Registered ZOOM Account Name;
- h. Current photograph of the Stockholder, with the face fully visible (uploaded in PDF or JPEG format);
- i. Valid government-issued ID exhibiting the signature of the Stockholder (uploaded in PDF or JPEG format);
- j. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (uploaded in PDF or JPEG format);

For corporate/organizational Stockholders:

- a. SEC/DTI Registered Name;
- b. Address;
- c. Mobile Number;
- d. Phone Number;
- e. Email Address;
- f. Registered ZOOM Account Name;
- g. Complete Name (Last Name, First Name, Middle Name) of the individual authorized to cast the vote for the account (the "Authorized Voter");
- h. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter");
- i. Valid government-issued ID of the Authorized Voter exhibiting his or her signature (uploaded in PDF or JPEG format);
- j. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter (uploaded in PDF or JPEG format)

Should the said Stockholders be unable to attend or vote but would like to be represented thereat, a duly filled out Proxy Form, together with the following information shall be emailed by the said Stockholder on or before 29 May 2024 to the Corporate Secretary at mcdela Fuente@grubalaw.com:

- a. Complete Name of authorized Proxy (Last Name, First Name, Middle Name);
- b. Birthdate;
- c. Address;
- d. Mobile Number;
- e. Phone Number;
- f. Email Address;
- g. Registered ZOOM Account Name;
- h. Current photograph of the Proxy, with the face fully visible (uploaded in PDF or JPEG format);

- i. Valid government-issued ID of the Proxy exhibiting his or her signature (uploaded in PDF or JPEG format);
2. Upon verification, the Company shall send a reply email confirming the identity of the said individual or corporation/organization as a stockholder of the Company and its respective current shareholding as of the same date.
3. For those shareholders who will be unable to attend onsite, the voting ballot will be emailed together with the email confirmation stated in the preceding section for (i) approval of the items in the Agenda requiring stockholders' approval, and (ii) election of the members of the Board of Directors, including the Independent Directors for CY2024.

The voting ballot shall be filled out, electronically signed, and emailed back to the Company on or before Five o' Clock in the afternoon on 03 June 2024.

4. Upon receipt of the ballot, the Company shall verify and tally the said votes and confirm via email reply to the Stockholder the receipt thereof, together with the Meeting ID and the Meeting Password.
5. For purposes of quorum, only the following Stockholders shall be counted as present:
 - a. Attending stockholder who have registered from 19 June 2023 to 03 June 2024;
 - b. Stockholders who have sent their proxies (to be represented by registered and attending stockholders) via email to mcdelafuente@grubalaw.com before 29 May 2024;
6. Questions and comments on the items in the Agenda must be sent to mcdelafuente@grubalaw.com. Questions or comments received on or before 07 June 2024 may be responded to during the meeting. Any additional inquiries or questions may be raised during the actual meeting and could be addressed upon discussion of Consideration of Such Other Business as May Properly Come Before the Meeting. Any question not answered during the meeting shall be answered via email.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM CHONG LEE**, Filipino, of legal age, and resident of 27 Doña Aurora St., Parang, Marikina City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a nominee for independent director of Jackstones, Inc. (formerly Nextstage, Inc.) and have been its independent director since 13 June 2017;
2. I am affiliated with the following companies or organization (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period Of Service
Scrapcenter Service, Inc.	President	2018 – Present
Goldsmart Packaging & Commodities, Inc.	Consultant	Present

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Jackstones, Inc. (formerly Nextstage, Inc.), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Exchange Code and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.
6. I shall inform the Corporate Secretary of Jackstones, Inc. (formerly Nextstage, Inc.) of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this APR 18 2024 at MAKATI CITY

WILLIAM CHONG LEE
Affiant

MAKATI CITY SUBSCRIBED AND SWORN to before me this APR 18 2024 at MAKATI CITY, affiant personally appeared before me and exhibited to me his TIN 100-532-723 with expiration on _____.

Doc. No. 149 ;
Page No. 31 ;
Book No. IV ;
Series of 2024.

Justine Marie Olimjoco
JUSTINELLI MARIE OLIMJOCO
Appointment No. M-459 (2023-2024)
Notary Public for Makati City
Until December 31, 2024
27th Floor, 88 Corporate Center
141 Sedefio St., Salcedo Village, Makati City
Roll No. 83959
PTR No. 10076067 / 01-02-2024 / Makati City
IBP No. 301541 / 01-03-2024 / Quezon City Chapter
Admitted to the Bar on 15 June 2022

CERTIFICATION OF INDEPENDENT DIRECTOR

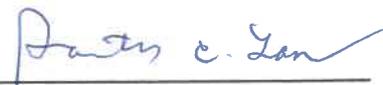
I, **SANTOS CHUA TAN**, Filipino, of legal age, and resident of 588 Unit S Manga Avenue Sampaloc, Manila after having been duly sworn to in accordance with the law do hereby declare that:

- 1. I am a nominee for independent director of Jackstones, Inc. (formerly Nextstage, Inc.);
- 2. I am affiliated with the following companies or organization (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period Of Service
Basic Holdings Co.	VP for External Affairs	Present
Fortune Tobacco Corp.	VP for External Affairs	Present

- 3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Jackstones, Inc. (formerly Nextstage, Inc.), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
- 4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
- 5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Exchange Code and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.
- 6. I shall inform the Corporate Secretary of Jackstones, Inc. (formerly Nextstage, Inc.) of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this APR 18 2024 at MAKATI CITY.



SANTOS CHUA TAN
Affiant

SUBSCRIBED AND SWORN to before me this APR 18 2024 at MAKATI CITY, affiant personally appeared before me and exhibited to me his TIN 104-000-597 with expiration on _____.

Doc. No. 148;
 Page No. 31;
 Book No. IV;
 Series of 2024.


JUSTINELLI MARIE TOLIMJOCO
 Appointment No. M-459 (2023-2024)
 Notary Public for Makati City
 Until December 31, 2024
 27th Floor, 88 Corporate Center
 141 Sedaño St., Salcedo Village, Makati City
 Roll No. 83959
 PTR No. 10076067 / 01-02-2024 / Makati City
 IBP No. 301541 / 01-03-2024 / Quezon City Chapter
 Admitted to the Bar on 15 June 2022

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM WONG TIU**, Filipino, of legal age, and resident of 160 Lee Tower, 921 Sabino Padilla St., Binondo Manila, Philippines after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a nominee for independent director of Jackstones, Inc. (formerly Nextstage, Inc.);
2. I am affiliated with the following companies or organization (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period Of Service
Chinese Journal Today Publication Inc.	Manager / OIC	2013 - Present

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Jackstones, Inc. (formerly Nextstage, Inc.), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Exchange Code and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.
6. I shall inform the Corporate Secretary of Jackstones, Inc. (formerly Nextstage, Inc.) of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this APR 18 2024 at MAKATI CITY.



WILLIAM WONG TIU
Affiant

MAKATI CITY SUBSCRIBED AND SWORN to before me this APR 18 2024 at MAKATI CITY, affiant personally appeared before me and exhibited to me his TIN 120-533-911 with expiration on _____.

Doc. No. 147 ;
Page No. 31 ;
Book No. W ;
Series of 2024.


JUSTINE MARIE T. JIMJOCO
Appointment No. M-459 (2023-2024)
Notary Public for Makati City
Until December 31, 2024
27th Floor, 88 Corporate Center
141 Sedefio St., Salcedo Village, Makati City
Roll No. 83959
PTR No. 10076067 / 01-02-2024 / Makati City
IBP No, 301541 / 01-03-2024 / Quezon City Chapter
Admitted to the Bar on 15 June 2022

JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Bel-Air, Makati City, 1209

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

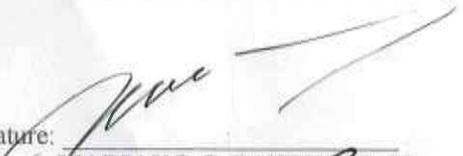
The management **JACKSTONES, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2023 and 2022** in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from materials misstatements, whether due to fraud or error.

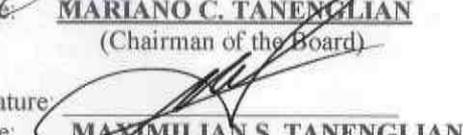
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

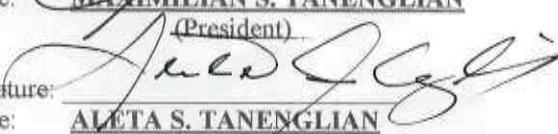
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditor 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.

Signature: 
Name: MARIANO C. TANENGLIAN
(Chairman of the Board)

Signature: 
Name: MAXIMILIAN S. TANENGLIAN
(President)

Signature: 
Name: ALETA S. TANENGLIAN
(Treasurer)

Signed this ___ day of _____ 2024



Independent Auditor's Report

To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
593 Antonio Drive, Bagumbayan
Taguig City, Philippines

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jackstones, Inc. (the "Parent Company") and its subsidiary (collectively referred to as the "Group") as at December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph



Independent Auditor's Report
To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
Page 2

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Key audit matter identified in our audit is recognition of revenue under PFRS 15.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition under PFRS 15 Refer to notes 10 and 12 to the consolidated financial statements. The Group's revenue recognition for sale of real estate properties involves significant judgment in determining whether the agreements with customers meet the definition of a contract under PFRS 15. The Group accounts for a customer contract under PFRS 15 if it is probable that the Group will collect the consideration to which it is entitled for transferring the goods and services to the customer. In evaluating whether the collectability is probable, the Group considers the customer's ability and intention to pay that amount of consideration when it is due. This is a significant area of judgment because the customer's credit quality is important in determining whether a contract has been identified and is valid.	<p>Our audit procedures to address the relevant assertion over occurrence of sale of real estate properties included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of the Group's policies, processes and procedures for sale of real estate properties.• We obtained and checked the terms and provisions of contracts with customers and checked the management's application of the revenue recognition criteria under PFRS 15.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
Page 3

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>For contracts with customers where the Group has not established collectability, the consideration received is recorded as contract liability. The contract liability will be recognized as revenue when all criteria for revenue recognition are met.</p> <p>As at December 31, 2023, the Group recognized contract liabilities amounting to P7,854,066.</p>	<ul style="list-style-type: none">• We evaluated management's assessment of revenue recognition criteria under PFRS 15, particularly on the collectability of the consideration (which involves review of customers' payment patterns and practices, probability that customer will exercise the right to refund and bank approval of the customers loan application).

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
Page 4

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

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 or to cease operations of the Group, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
Page 5

- 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 ability of the Group 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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
Page 6

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is
Dennis M. Malco.

Isla Lipana & Co.

A handwritten signature in black ink that reads "D Malco".

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 12, 2024, Makati City
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
593 Antonio Drive, Bagumbayan
Taguig City, Philippines

We have audited the consolidated financial statements of Jackstones, Inc. (the "Parent Company") and its subsidiary (collectively referred to as the "Group") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 15, 2024. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration, a Map Showing the Relationships among the Group and its Ultimate Parent Company and Schedules A, B, C, D, E, F and G, as additional components required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the consolidated financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the consolidated financial statements. In our opinion, the supplementary information have been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

A handwritten signature in black ink that reads "Dmalco".

Dennis M. Malco
Partner

CPA Cert. No. 126035

P.T.R. No. 0080034, issued on January 12, 2024, Makati City

TIN 268-146-184

BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
593 Antonio Drive, Bagumbayan
Taguig City, Philippines

We have audited the consolidated financial statements of Jackstones, Inc. (the "Parent Company") and its subsidiary (collectively referred to as the "Group") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 15, 2024.

In compliance with Revised Rule 68 of the SRC and based on the certification received from the Parent Company's corporate secretary and the results of our work performed, the Parent Company has 307 shareholders each owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "D Malco", written over a faint, light-colored watermark or background.

Dennis M. Malco
Partner

CPA Cert. No. 126035

P.T.R. No. 0080034, issued on January 12, 2024, Makati City

TIN 268-146-184

BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

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T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Jackstones, Inc. and Subsidiary
593 Antonio Drive, Bagumbayan
Taguig City, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Jackstones, Inc. and its Subsidiary (the "Group") as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "D Malco", is written over the printed name of Dennis M. Malco.

Dennis M. Malco
Partner

CPA Cert. No. 126035

P.T.R. No. 0080034, issued on January 12, 2024, Makati City

TIN 268-146-184

BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph

Jackstones, Inc. and Subsidiary

Consolidated Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	115,910,196	95,296,135
Short-term investments	2	-	19,398,721
Receivables	3, 9	66,016	4,048,792
Real estate held for development and sale	4	28,527,470	48,409,188
Contract assets	10	2,265,221	1,586,549
Prepayments and other current assets	5	3,712,741	4,817,241
Total current assets		150,481,644	173,556,626
Non-current assets			
Property and equipment, net	6	986,340	2,437,578
Investment property, net	7	17,555,049	-
Advances to a related party	9	12,471,964	-
Right-of-use asset, net	17	350,006	333,975
Input value-added tax (VAT)	5	1,841,542	1,693,283
Deferred tax asset	16	732,869	523,927
Other non-current assets	5	7,499,517	953,260
Total non-current assets		41,437,287	5,942,023
Total assets		191,918,931	179,498,649
Liabilities and Equity			
Current liabilities			
Trade payables and other liabilities	8	6,959,547	7,653,774
Advances from shareholders	9	131,677,769	131,677,769
Contract liabilities	10	7,854,066	8,006,733
Lease liabilities	9, 17	3,232,886	2,392,874
Security deposit and advance rental	17	8,743,438	8,113,569
Income tax payable		-	1,659
Total liabilities		158,467,706	157,846,378
Equity			
Share capital, net	1, 11	188,184,179	188,184,179
Share premium	11	143,334,770	143,334,770
Treasury shares	11	(82)	(82)
Deficit		(298,067,642)	(309,866,596)
Total equity		33,451,225	21,652,271
Total liabilities and equity		191,918,931	179,498,649

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Revenue	12	51,257,791	87,738,361	46,305,800
Cost of sales and services	13	(24,120,148)	(59,372,108)	(35,454,254)
Gross profit		27,137,643	28,366,253	10,851,546
Operating expenses	14	(16,934,665)	(16,892,760)	(13,989,452)
Other income	15	5,341,716	1,086,051	544,721
Foreign exchange (loss) gain, net	19	(6,040)	200,517	290,427
Profit (loss) from operations		15,538,654	12,760,061	(2,302,758)
Finance costs	9,17	(11,785)	(8,688)	(21,483)
Profit (loss) before income tax		15,526,869	12,751,373	(2,324,241)
Income tax expense	16	(3,727,915)	(3,936,985)	(867,204)
Profit (loss) for the year		11,798,954	8,814,388	(3,191,445)
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		11,798,954	8,814,388	(3,191,445)
Income (loss) per share (basic and diluted)	18	0.0472	0.0352	(0.0127)

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Share Capital (Note 11)				Share premium (Note 11)	Treasury shares (Note 11)	Deficit	Total equity		
	Subscribed		Subscription receivable						Paid-in	
	No. of shares	Amount	Amount	Amount					Amount	Amount
Balances at January 1, 2021	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(315,489,539)	16,029,328		
Comprehensive loss										
Loss for the year	-	-	-	-	-	-	(3,191,445)	(3,191,445)		
Other comprehensive income for the year	-	-	-	-	-	-	-	-		
Total comprehensive loss for the year	-	-	-	-	-	-	(3,191,445)	(3,191,445)		
Balances at December 31, 2021	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(318,680,984)	12,837,883		
Comprehensive income										
Profit for the year	-	-	-	-	-	-	8,814,388	8,814,388		
Other comprehensive income for the year	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	-	-	8,814,388	8,814,388		
Balances at December 31, 2022	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(309,866,596)	21,652,271		
Comprehensive income										
Income for the year	-	-	-	-	-	-	11,798,954	11,798,954		
Other comprehensive income for the year	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	-	-	11,798,954	11,798,954		
Balances at December 31, 2023	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(298,067,642)	33,451,225		

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Profit (loss) before income tax		15,526,869	12,751,373	(2,324,241)
Adjustment for:				
Depreciation expense	6	1,662,738	3,079,838	6,012,684
Amortization of right-of-use assets	17	823,981	732,787	795,668
Unrealized foreign exchange loss (gain)	19	6,040	(34,614)	(290,427)
Interest expense on lease liability	9, 17	11,785	8,688	21,483
Interest income	2	(4,370,656)	(924,074)	(122,010)
Operating income before changes in assets and liabilities		13,660,757	15,613,998	4,093,157
(Increase) decrease in:				
Receivables	3, 9	3,982,776	(3,794,060)	-
Real estate held for development and sale	4	19,881,718	47,713,351	(19,602,223)
Contract asset	10	(678,672)	(177,178)	8,529
Prepayments and other current assets	5	1,085,083	4,783,093	25,632,182
Input value-added tax, non-current	5	(148,259)	(133,041)	(117,518)
(Decrease) increase in:				
Trade payables and other liabilities	8	(695,887)	1,388,611	5,021,452
Contract liabilities	10	(152,667)	(5,325,556)	5,734,479
Security deposit and advance rental	17	629,869	86,117	-
Net cash generated from operations		37,564,718	60,155,355	20,770,273
Interest received	2	4,390,074	750,886	122,010
Income taxes paid	16	(3,948,642)	(3,659,785)	(3,259,180)
Net cash generated from operating activities		38,006,150	57,246,436	17,633,103
Cash flow from investing activities				
Acquisition of short-term investment	2	-	(25,124,925)	(41,405)
Proceeds from short term investments	2	19,398,721	11,024,033	-
Acquisition of property and equipment	6	(211,500)	(2,924,976)	(177,365)
Acquisition of investment property	7	(17,555,049)	-	-
Advances to contractor		(6,546,257)	-	-
Advances made to a related party	9	(12,471,964)	-	-
Net cash used in investing activities		(17,386,049)	(17,025,868)	(218,770)
Cash flow from financing activity				
Advances from shareholders	9	-	-	28,700,000
Net increase in cash		20,620,101	40,220,568	46,114,333
Cash and cash equivalents at January 1		95,296,135	55,040,953	8,909,784
Effect of foreign exchange changes on cash and cash equivalents	19	(6,040)	34,614	16,836
Cash and cash equivalents at December 31	2	115,910,196	95,296,135	55,040,953

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Notes to the Consolidated Financial Statements

As at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023

(All amounts are shown in Philippine Peso, unless otherwise stated)

1 Business information

1.1 General information

Jackstones, Inc. (the "Parent Company") was originally incorporated on April 22, 1964 as Pacific Cement Company, Inc. to engage in the manufacture and trading of cement and related products. In June 2000, the Securities and Exchange Commission (SEC) approved the change in primary purpose of the Company to that of a holding company and changed its corporate name to PACEMCO Holdings, Inc. (PACEMCO). Simultaneous therewith, PACEMCO spun-off its cement manufacturing and mining facility and assets to Pacific Cement Philippines, Inc. (PACEMPHIL), in exchange for 100% of the shares of stock of PACEMPHIL. This investment was subsequently sold in November 2000.

In December 2000, PACEMCO acquired 100% of the share capital of NextStage, Inc., and in June 2001, the SEC approved the merger of PACEMCO and its subsidiary, NextStage, Inc., with PACEMCO as the surviving corporation. Subsequently, the SEC also approved the change in name from PACEMCO to NextStage, Inc.

The Parent Company's shares are listed in the Philippine Stock Exchange (PSE). As a public company, it is covered by Part I Section 2 A (i) (b) of the Revised Securities and Regulation Code (SRC) Rule 68 and also covered by additional requirement under the Revised SRC Rule 68, Part II.

On April 16, 2014, the SEC approved the Parent Company's application to change its corporate name to its present name and the extension of its corporate life for another 50 years immediately after the first 50 years from and after the date of incorporation.

On October 12, 2014, a group of individual and corporate shareholders sold their shares of stock representing 70% of the outstanding share capital of the Parent Company to Ketton Holdings, Inc. and a group of individual investors. The sale effectively transferred control of the Parent Company to Ketton Holdings, Inc., a domestic corporation registered in the Philippine SEC, who became the ultimate controlling party, owning 54% equity interest in the Parent Company.

On March 10, 2017, the Parent Company's BOD, through an amendment of the Parent Company's Articles of Incorporation, approved the increase of the Parent Company's authorized share capital from P170 million divided into 170 million shares with P1 par value per share to P500 million divided into 500 million shares with P1 par value per share. This amendment was approved and ratified by the Parent Company's shareholders during the annual shareholders' meeting on June 13, 2017. The amendment was filed and approved by the SEC on February 7, 2018.

The Parent Company's registered office, which is also its principal place of business is located at 593 Antonio Drive, Bagumbayan, Taguig City.

As at December 31, 2023, the Company has 307 shareholders (2022 - 307) owning at least 100 shares each. Of the total shares outstanding, 20.77% were publicly held as at December 31, 2023 (2022 - 20.77%).

1.2 Subsidiary information

The Parent Company holds 100% ownership in the shares of stock of Jackstones Properties, Inc. (the "Subsidiary" or "JPI"). The Parent Company and its subsidiary are collectively referred to as the "Group".

JPI was incorporated and registered with the Philippine SEC on October 20, 2017 primarily to purchase, acquire, own, hold, use and dispose real property. The registered office address of JPI is located at 593 Antonio Drive, Bagumbayan, Taguig.

1.3 Status of operations

In 2018, JPI purchased a land for future development and sale to start its commercial operations. In 2020, JPI obtained the approval from Housing and Land Use Regulatory Board (HLURB) for the license to sell saleable units in the purchased land. The project has generated income in 2023 and 2022.

In 2021, JPI entered into a Land Management Agreement with its related party, Great Circle Holdings Inc. which generated additional income for the subsidiary during the year (Note 8). In 2022, the agreement was renewed effective up to 2023.

In 2022, JPI entered into another Land Management Agreement with its related party, Bluebell Properties and Holding Corporation to generate additional income for the subsidiary.

The Parent Company is also currently negotiating with various investment groups to raise new capital and is also considering another public offering to raise more funds for its investments and holdings. The Parent Company continues to review projects, ventures, businesses and assets that can be included in the holdings of the Parent Company for which the Parent Company may issue shares in exchange of owning them.

Moreover, the shareholders continue to provide financial support to the Group to enable it to meet its financial obligations when they fall due and carry out its business operations, going forward.

1.4 Approval of the consolidated financial statements

These consolidated financial statements of the Group were authorized and approved for issuance by the Parent Company's BOD on April 15, 2024.

2 Cash and cash equivalents; short-term investments

Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2023	2022
Cash on hand	4,000	4,000
Cash in banks	89,494,154	35,853,139
Cash equivalents	26,412,042	59,438,996
	115,910,196	95,296,135

Cash in banks earn interest at the respective bank deposit rate. Cash equivalents represent short-term time deposits with local bank having maturity of less than three (3) months from the date of placement and earning interest ranging from 3.2% to 4% per annum.

As at December 31, 2023, the Group has time deposits with a local bank amounting to P26,412,042 (2022 - nil) having a maturity of thirty five (35) days from the date of placement and earning interest of 0.625% per annum (2022 - nil).

Short-term investments

As at December 31, 2022, the Group has short-term investment amounting to P19,398,721 with a local bank having a maturity of six (6) months from the date of placement and earning interest ranging from 0.625% to 4% per annum.

Movement of short-term investments were as follows:

	2023	2022
Beginning	19,398,721	5,297,829
Acquisition	-	25,124,925
Matured during the year	(19,398,721)	(11,024,033)
	-	19,398,721

Interest income earned from bank deposits, cash equivalents and short-term investments for the year ended December 31, 2023 amounted to P4,370,656 (2022 - P924,074) (Note 14).

Accrued interest from cash equivalents and short-term investment as at December 31, 2023 amounted to nil (2022 - P192,606) and presented as part of prepayments and other current assets (Note 5) in the consolidated statements of financial position.

3 Receivables

Receivables as at December 31 consist of:

	Note	2023	2022
Receivables			
Third party		-	4,048,792
Related party	9	66,016	-
		66,016	4,048,792

Third party receivables pertain to amounts due from customers for unit sold in the ordinary course of business. These are generally due for settlement within 120 days and therefore all are classified as current. Trade receivables are fully performing.

The receivables are non-interest bearing, and to be settled in cash. None of the trade receivables of the Group have been pledged as security for credit facilities.

4 Real estate held for development and sale

Real estate held for development and sale represent the construction of Michelia Residences (Note 1), a townhouse project, in which JPI has been granted license to sell by the Housing and Land Use Regulatory Board (HLURB) of the Philippines. In 2023 and 2022, these include real estate held for sale on completed projects.

The movements in real estate held for development and sale for the year ended December 31 follows:

	Note	2023	2022
Balance at January 1		48,409,188	96,122,539
Additions during the year		1,934,761	8,018,937
Charged to cost of sales	13	(21,816,479)	(55,732,288)
Balance at December 31		28,527,470	48,409,188

Critical accounting judgment: Provision for losses on real estate held for development and sale

The Group provides for an allowance to write down real estate held for development and sale whenever the net realizable value becomes lower than cost. The allowance account is reviewed periodically.

As at December 31, 2023 and 2022, the Group has assessed that there is no need to provide any allowance for losses on land held for development and sale.

Critical accounting estimate: Evaluation of net realizable value (NRV) of real estate held for development and sale

The Group adjusts the cost to net realizable value based on its assessment of the recoverability of the real estate held for development and sale. NRV for completed real estate held for development and sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

5 Prepayments and other current assets; Input VAT, non-current

Prepayments and other current assets as at December 31 consist of:

	Note	2023	2022
Advances to contractor		1,628,963	1,576,387
Creditable withholding taxes		1,614,571	2,840,870
Advances to employees and officer		395,100	161,070
Interest receivable	2	-	192,606
Prepayments		-	3,600
Input value-added tax (VAT)		59,225	-
Others		14,882	42,708
		<u>3,712,741</u>	<u>4,817,241</u>

Advances to a contractor represent advanced payments which are settled through provision of construction services and delivery of materials. The services and materials are expected to be received within 12 months from reporting date.

Advances to employees and officer pertain to cash advances for operating expenses which are expected to be liquidated within 12 months from date of receipt.

Deposits pertain to non-interest-bearing guarantee deposits made by the Group for electricity and water service, which is expected to be collected within 12 months from reporting date.

Input VAT, non-current

The Group presented the input VAT related to the Parent Company amounting to P1,841,542 as at December 31, 2023 (2022 - P1,693,283) as non-current asset since the management assessed that there will be no activities that will generate revenue that are subject to VAT within the next 12 months.

The Group has identified target projects, ventures, businesses and assets that can be included in the holdings and that will generate revenue that are subject to VAT. Management assessed that it is premature to recognize an impairment of the input VAT as management's intention is to apply it against future VAT obligations.

Other non-current assets

As at December 31, 2023, other non-current assets amounting to P7,499,517 consist of advances to contractor amounting to P6,546,257 (2022 - nil) and deposits made by the Group for electricity and water service amounting to P953,260 (2022 - P953,260) which are expected to be utilized or collected beyond 12 months from reporting date.

Critical accounting judgment: Recoverability of input VAT and creditable withholding taxes

In determining the recoverable amount of input VAT and creditable withholding taxes, management considers the probability of future transactions that will be available against which the input VAT and creditable withholding taxes can be utilized, including adequacy of and compliance with the required documentation for anticipated tax audits in case the entities within the Group opted to file for refund with the tax authorities in the future.

Management uses judgment based on the best available facts and circumstances, including but not limited to, the adequacy of documentation, timely filing of application with the tax authority and evaluation of the individual tax credit claim's future recoverability and utilization. As of reporting date, management believes that it will be able to recover these input VAT and creditable withholding taxes on the following basis:

- Input VAT carried in the VAT returns and creditable withholding taxes carried in income tax returns do not expire and can be used against future output VAT obligations and income tax payable, respectively. As disclosed in Note 1, the Group has identified target projects and business ventures that will generate revenues subject to VAT and income tax; and
- The Group has the option to apply for a tax refund on unused input VAT within a period of two (2) years.

6 Property and equipment, net

Property and equipment as at December 31 consist of:

	Furniture and fixtures	Office equipment	Leasehold improvements	Total
At January 1, 2022				
Cost	84,588	737,242	11,879,634	12,701,464
Accumulated depreciation	(31,441)	(326,771)	(9,750,812)	(10,109,024)
Net carrying value	53,147	410,471	2,128,822	2,592,440
For the year ended December 31, 2022				
Opening net carrying value	53,147	410,471	2,128,822	2,592,440
Additions	30,223	82,253	2,812,500	2,924,976
Depreciation	(18,172)	(154,633)	(2,907,033)	(3,079,838)
Closing net carrying value	65,198	338,091	2,034,289	2,437,578
At December 31, 2022				
Cost	114,811	819,495	14,692,134	15,626,440
Accumulated depreciation	(49,613)	(481,404)	(12,657,845)	(13,188,862)
Net carrying value	65,198	338,091	2,034,289	2,437,578
For the year ended December 31, 2023				
Opening net carrying value	65,198	338,091	2,034,289	2,437,578
Additions	10,268	201,232	-	211,500
Depreciation	(22,100)	(160,950)	(1,479,688)	(1,662,738)
Closing net carrying value	53,366	378,373	554,601	986,340
At December 31, 2023				
Cost	125,079	1,020,727	14,692,134	15,837,940
Accumulated depreciation	(71,713)	(642,354)	(14,137,533)	(14,851,600)
Net carrying value	53,366	378,373	554,601	986,340

Depreciation expense charged to profit or loss are as follows:

	Notes	2023	2022	2021
Cost of sales and services	13	1,479,688	2,907,033	5,854,103
Operating expenses	14	183,050	172,805	158,581
		1,662,738	3,079,838	6,012,684

Critical accounting estimate: Useful lives of property and equipment

The Group determines the estimated useful lives for its property and equipment based on the period over which the assets are expected to be available for use. The Group annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

Management has assessed that the useful lives of property and equipment are appropriate.

Critical accounting judgment: Impairment of property and equipment

The Group likewise reviews the carrying values of property and equipment and assesses them for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management uses judgment based on available facts and circumstances, but not limited to evaluation of the future recoverability of property and equipment, in assessing whether a provision for impairment is required.

Management believes that there are no significant events or changes in circumstances which indicate that the carrying amount may not be recoverable at reporting date.

7 Investment property, net

Investment property, net as at December 31, 2023 amounting to P17,555,049 pertains to an on-going construction of a three-storey building for the purpose of leasing after the completion of the project located at Kanlaon St., Brgy. Sta. Teresita, Quezon City.

The carrying amount of construction in progress as at December 31, 2023 approximates their fair values considering that they represent the costs necessary to construct the properties at current market prices. This is a level 3 fair value measurement, with any changes in the current prices of goods or services necessary to construct the properties directly affecting the fair values of investment properties as at reporting dates.

8 Trade payables and other liabilities

Trade payables and other liabilities as at December 31 consist of:

	Note	2023	2022
Trade payables		434,085	434,085
Accrued expenses and other liabilities		4,846,453	4,078,348
Due to a related party	9	890,236	878,451
Advances from customers		377,778	377,778
Payable to regulatory agency		410,995	1,885,112
		6,959,547	7,653,774

Accrued expenses and other payables mainly consist of accruals for security and janitorial services, audit fee and other professional fees to consultants.

Trade payables are non-interest bearing and are normally settled within 30 days.

Advances from customers consist of deposits for utilities to be remitted to Homeowners Association (HOA) once the related property has been turned over to the buyer.

Accrued expenses and other payables mainly consist of accruals for security and janitorial services, audit fee and other professional fees to consultants.

There are neither guarantees nor assets pledged to secure the Group's liabilities at December 31, 2023 and 2022.

The carrying amounts of trade payables and other liabilities approximate their fair values due to their short-term maturities.

9 Related party transactions and balances

The table below summarizes the Group's transactions and balances with its related parties.

	Transactions			Due from (due to)		Terms and conditions
	2023	2022	2021	2023	2022	
Receivables <i>Entity under common control</i>	66,016	-	-	66,016	-	Receivable from an entity under common control are related to payments made on behalf of Great Circle Holdings Inc. (GCH). These are non-interest bearing, unsecured, collectible in cash and on demand.
Advances to <i>Entity under common control</i>	12,471,964	-	-	12,471,964	-	Advances to an entity under common control are related to advances made to Ketton Property Management and Consultancy (KPMC) as the Group's property manager on its investment property under construction. There are no fixed repayment terms and these are non-interest bearing.
	12,538,980	-	-	12,537,980	-	
Land management agreement (Lease liability) (Note 17) <i>Entity under common control</i>	840,012	801,539	-	(3,232,886)	(2,392,874)	Due to an entity under common control are related to Land Management Agreement with GCH (Note 17). These are non-interest bearing, unsecured and payable in cash.
Interest on lease (Note 17) <i>Entity under common control</i>	11,785	8,688	21,483	(65,475)	(53,690)	This pertains to the interest on lease liabilities as discussed in Note 17.
Contingent rent fees (Note 17) <i>Entity under common control</i>	-	-	824,761	(824,761)	(824,761)	This pertains to contingent fee in relation to the land management agreement with GCH as discussed in Note 17. These are non-interest bearing, unsecured, payable in cash and on demand.
				(890,236)	(878,451)	

	Transactions			Due from (due to)		Terms and conditions
	2023	2022	2021	2023	2022	
Advances from Shareholders	-	-	28,700,000	(131,677,769)	(131,677,769)	Advances are extended for working capital requirements which are payable in cash with no fixed repayment date. These are non-interest bearing, unguaranteed and unsecured.
Key management compensation - Salaries and other short-term benefits (Note 14)	5,409,496	5,098,147	3,483,627	-	(160,287)	Key management compensation covering salaries and wages and other short-term benefits are determined based on contract of employment and payable in cash every month. The Parent Company has not provided share-based payments, termination benefits or other long-term benefits to its key management personnel for the years ended December 31, 2023, 2022 and 2021.

In the normal course of the business, the Group receives advances from the shareholders for working capital purposes. The carrying amount of advances from shareholders approximates its fair value due to its short-term maturity. The following related party balances as at December 31 were eliminated for the purpose of preparing the consolidated statements of financial position:

The following related party balances as at December 31 were eliminated for the purpose of preparing the consolidated statements of financial position:

	2023	2022
Due from subsidiary	106,435,732	106,435,732
Advances from Parent Company	106,435,732	106,435,732
Investment in subsidiary	3,326,994	3,326,994
Share capital of the subsidiary	3,125,000	3,125,000

There were no related party transactions identified to be eliminated for the purpose of preparing the consolidated statements of total comprehensive income of the Group as at December 31, 2023 and 2022 and for the three years in the period ended December 31, 2023.

10 Contract assets; contract liabilities

Contract assets

The Group incurs brokers' commission for each contract to sell that was successfully referred by the broker. A portion of the commission is paid upon signing of the contract to sell, and the remaining portion is paid upon issuance of the deed of absolute sale to the buyer.

The amount of brokers' commission paid by the Group is recognized as contract assets. Contract assets will be charged to "commission expense" when revenue recognition is met for each customer contract.

The movements in contract assets for the years ended December 31 are as follow:

	Note	2023	2022
Beginning of the year		1,586,549	1,409,371
Additions during the year		2,040,051	3,103,443
Charged to expenses during the year	14	(1,361,379)	(2,926,265)
End of the year		2,265,221	1,586,549

Contract liabilities

Contract liabilities consist of customer deposits and advance payments for additional improvement on bare units which have not been completed as at December 31, 2023 and 2022. A portion of the contract liabilities are refundable if the customers will exercise their right to a refund based on the contract terms and applicable laws in the Philippines. The Group will recognize the revenue as the construction is completed and the collectability of the consideration is certain, which is expected to occur over the next 12 months from the reporting date.

The movements in contract liabilities for the years ended December 31 are as follows:

	Note	2023	2022
Beginning of the year		8,006,733	13,332,289
Additions during the year		33,881,582	62,840,477
Recognized as revenue during the year	12	(34,034,249)	(68,166,033)
End of the year		7,854,066	8,006,733

Critical accounting judgment: Revenue recognition

At contract inception, the Group evaluates the following criteria before it can apply the revenue recognition model under PFRS 15: a) The parties to the contract have approved the contract and are committed to perform their obligations; b) The entity can identify each party's rights regarding the goods or services to be transferred; c) The entity can identify the payment terms for the goods or services to be transferred; d) The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

If a contract with a customer does not meet the criteria, the Group shall continue to assess the contract to determine whether the criteria are subsequently met. When a contract with a customer does not meet the criteria and the Group receives consideration from the customer, the Group recognizes the consideration received as revenue only when either of the following events has occurred: a) The Group has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the Group and is non-refundable; or b) The contract has been terminated and the consideration received from the customer is non-refundable.

As at December 31, 2023 and 2022, the Group recognized the consideration received from the customers as contract liabilities and will continue to assess if the revenue recognition criteria are subsequently met.

11 Equity

Share capital, net of treasury shares

Details of share capital as at December 31, 2023 and 2022 are as follows:

	Note	Shares	Amount
Common shares at P1 par value per share			
Authorized share capital	1	500,000,000	500,000,000
Subscribed and issued			
Share capital issued		167,559,179	167,559,179
Treasury shares		(82)	(82)
Share capital issued and outstanding, net		167,559,097	167,559,097
Partially paid			
Subscribed share capital		82,500,000	82,500,000
Subscription receivable		(61,875,000)	(61,875,000)
Subscribed and paid		20,625,000	20,625,000
Share capital, net		188,184,097	188,184,097

Each common share confers upon a common shareholder: a) the right to vote at any shareholder's meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the BOD may approve. All holders of common shares shall have no pre-emptive rights to acquire new shares (including any common shares, securities convertible or exchangeable into shares, options, warrants or other rights to purchase or subscribe for shares or securities convertible or exchangeable into shares) to be issued by the Parent Company.

The Parent Company's record of registration of its securities under the Securities Regulation Code follows:

Date of approval	February 7, 2018	October 27, 1967
Number of shares registered	330,000,000	170,000,000
Issued/offer price	2.50	2.30

Share premium

In 2013, as part of the Parent Company's equity restructuring and to improve and strengthen the financial condition of the Parent Company without affecting the present ownership, the Board of Directors approved the conversion of the Parent Company's due to related parties, advances from shareholders and deposits for future shares subscriptions aggregating to P112,397,270 to additional paid in capital on April 30, 2013. On the same date, the Parent Company's shareholders approved such conversion into equity (under share premium).

On February 7, 2018, the Parent Company received a subscription payment from stockholders resulting to share premium amounting to P30,937,500.

As at December 31, 2023 and 2022, share premium amounted to P143,334,770.

Subscription receivable

Details of the subscribed shares and subscription receivable as at December 31, 2023 and 2022 are as follows:

	Share capital subscribed		Share premium	Total amount
	No. of shares	Amount		
Total subscription	82,500,000	82,500,000	123,750,000	206,250,000
Subscribed and paid, gross of share issuance costs	(20,625,000)	(20,625,000)	(30,937,500)	(51,562,500)
Subscription receivable	61,875,000	61,875,000	92,812,500	154,687,500

12 Revenue

The Group's revenue from contracts with customers for the years ended December 31 are as follows:

	Note	2023	2022	2021
Sale of real property held for development and sale		34,034,249	71,781,026	29,810,572
Rental income	17	17,223,542	15,957,335	16,495,228
		51,257,791	87,738,361	46,305,800

13 Cost of sale and services

Cost of sale and services for the years ended December 31 consist of:

	Notes	2023	2022	2021
Cost of real property held for development and sale	4	21,816,479	55,732,288	27,979,722
Cost of services				
Depreciation	6	1,479,688	2,907,033	5,854,103
Amortization of right-of-use asset	17	823,981	732,787	795,668
Contingent rent fees	9	-	-	824,761
		24,120,148	59,372,108	35,454,254

Cost of real property held for development and sale includes allocated cost of land acquisition, site developmental cost, house construction cost, and other costs attributable to bringing the real estate inventories to its intended condition.

14 Operating expenses

The components of operating expenses for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Salaries and other employee benefits	9	9,617,982	6,186,660	3,483,627
Professional and consultancy fees		1,952,939	4,614,711	4,881,940
Commission		1,361,379	3,940,854	1,731,645
Taxes, licenses and regulatory fees		1,506,498	802,987	689,406
Repairs and maintenance		503,012	112,914	1,975,661
Meeting		468,146	204,799	296,710
Depreciation	6	183,050	172,805	158,581
Transportation		69,577	187,910	74,133
Office supplies		15,611	61,966	21,990
Miscellaneous		1,256,471	607,154	675,759
		16,934,665	16,892,760	13,989,452

Miscellaneous expense mainly pertains to advertising and promotion, bank charges, representation and web/internet expenses.

15 Other income

The components of other income for the years ended December 31 are as follows:

	Note	2023	2022	2021
Interest income	2	4,370,656	924,074	122,010
Other income		971,060	161,977	422,711
		5,341,716	1,086,051	544,721

In 2023 and 2022, other income pertains to scrap sales, forfeited customer reservation fees and developer's incentives.

16 Income tax

On March 26, 2021, RA No. 11534, otherwise known as CREATE, was signed into law. Among the salient provisions of CREATE include reduced Corporate Income Tax (CIT) rate from 30% to 25% effective July 1, 2020 and temporary Minimum Corporate Income Tax (MCIT) rate from 2% to 1% from July 1, 2020 to June 30, 2023.

The components of income tax expense as shown in statements of total comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
Current tax expense	3,936,857	3,780,484	120,699
Deferred tax (benefit) expense	(208,942)	156,501	746,505
	3,727,915	3,936,985	867,204

Deferred income tax assets

The Group has a total deferred income tax (DIT) asset for the year ended December 31, 2023 amounting to P4,864,468 (2022 - P3,734,976), of which P731,210 and 1,659 (2022 - P522,268 and P1,659) related to JPI and Parent, respectively, was recognized. Deferred tax asset of P4,131,599 (2022 - P3,211,049) related to the Parent Company was unrecognized.

Recognized DIT asset

Recognized DIT asset as at December 31 consist of the tax effect of the following temporary differences:

	2023	2022
<i>Recognized by JPI</i>		
Right of use assets	(87,502)	(83,494)
Lease liabilities	808,222	598,219
Interest payable on lease	10,490	7,543
	731,210	522,268
<i>Recognized by JAS</i>		
Excess of MCIT over RCIT	1,659	1,659
	732,869	523,927

In compliance with the tax regulations, the Group shall pay the greater of MCIT and Regular Corporate Income Tax (RCIT), starting 2021. Any excess of MCIT over the RCIT shall be carried forward for the next three consecutive taxable years immediately following the year such MCIT was paid. The Group paid MCIT amounting to P120,699 which is greater than RCIT. The amount was utilized in 2022.

Details of excess of MCIT over RCIT as at December 31, 2023 follows:

Year incurred	Year of expiration	Amount	Utilized	Balance
2021	2024	120,699	(120,699)	-
2022	2025	1,659	-	1,659

The realization of the future tax benefit related to the deferred tax asset is dependent on the JPI's ability to generate future taxable income.

Management has considered these factors in reaching a conclusion to recognize DIT assets in the statements of financial position at December 31, 2023 and 2022.

Movements in the DIT assets for the years ended December 31 are as follows:

	2023	2022	2021
At January 1	523,927	799,468	1,545,973
Charged to profit or loss	208,942	(156,501)	(746,505)
Utilization of MCIT	-	(119,040)	-
At December 31	732,869	523,927	799,468

Unrecognized DIT assets

The Group's unrecognized DIT assets as incurred by the Parent Company as at December 31 are as follows:

	2023	2022
Net operating loss carryover (NOLCO)	4,157,054	3,219,702
Unrealized foreign exchange loss (gain)	1,511	(8,653)
	4,158,565	3,211,049

In 2020, pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Parent Company's NOLCO as at December 31 are as follow:

Year loss was incurred	Year of expiration	2022	Additions during the year	Expired during the year	2023
2020	2025	3,748,706	-	-	3,748,706
2021	2026	5,174,848	-	-	5,174,848
2022	2025	3,955,255	-	-	3,955,255
2023	2026		3,749,406	-	3,749,406
		12,878,809	3,749,406	-	16,628,215
Tax rate		25%	25%		25%
		3,219,703	937,351	-	4,157,054

Realization of the future tax benefits related to the DIT asset is dependent on many factors, including the Parent Company's ability to generate taxable income. Management has considered these factors in reaching a conclusion not to recognize the Parent Company's DIT assets in the consolidated statements of financial position.

The reconciliation of income tax computed at the statutory income tax rate to income tax expense as shown in the statement of total comprehensive income for the years ended December 31 is as follows:

	2023	2022	2021
Income (loss) before income tax	15,526,869	12,751,373	(2,324,241)
Applicable statutory tax rate	25%	25%	25%
Income (loss) before income tax at statutory tax rate	3,881,717	3,187,843	(581,061)
Adjustments for:			
Interest income subject to final tax	(1,092,664)	(231,018)	(30,503)
Unrecognized tax benefit on NOLCO	937,351	988,813	1,293,712
Unrecognized tax benefit from unrealized foreign exchange loss (gain)	1,511	(8,653)	(72,606)
Effect of change in tax rate	-	-	257,662
	3,727,915	3,936,985	867,204

The reduction of the tax rate from 30% to 25% was substantively enacted on March 26, 2022 and has a retrospective effect from July 1, 2021. For the year ended December 31, 2021 the Group has used the new tax rate of 25% and deferred tax expected to reverse in the years ending after December 31, 2021 has been measured using the new effective rate.

The impact of the change in tax rate has been recognized in tax expense in profit or loss. The effect of the change in tax rate on DIT assets recorded in profit or loss in 2021 amounted to P257,662.

Critical accounting judgment: Deferred income taxes

PFRS requires the recognition of deferred income tax (DIT) assets to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Determining the realizability of DIT assets requires the estimation of profits expected to be generated from operations.

17 Lease agreement

Group as the lessee

Land Management Agreement

In 2020, JPI and Great Circle Holdings, Inc. (GCH) entered into a Land Management Agreement granting JPI the right to maintain and utilize the property of GCH situated at 593 San Antonio Drive, Taguig Bagumbayan Industrial Park, Taguig City consisting of land and warehouses for leasing activities to third-parties or its related parties. JPI will receive the entire amount of rental income from third-parties or its related parties' lessees and in turn, pay GCH a 5% consideration, contingent on the rental income received. This is to allow JPI to recoup the costs incurred to improve the warehouses.

The agreement is for a period of two (2) years beginning May 4, 2020 until May 3, 2022, renewable upon mutual agreement of the parties. During 2022, the agreement was renewed for another year. The foregoing agreement qualified as lease under PFRS 16.

In 2022, the Company entered into another Land Management Agreement with its related party, Bluebell Properties and Holding Corporation (BPHC) granting the Company the right to operate the land of BPHC situated at #8 Kanlaon St., Brgy. Maharlika, Quezon City for leasing activities to third-parties or its related parties. The Company is permitted to construct and operate in the land. The Company will receive the entire amount of rental income from third-parties or its related parties' lessees and in turn, pay BPHC a 5% consideration, contingent on the rental income received. As at December 31, 2023, construction of building on this land is on-going (Note 7), hence no rental income has been recognized during the year.

The agreement is for an initial period of eight (8) years beginning January 28, 2022 until January 27, 2030, renewable subject to terms and conditions mutually agreed upon by both parties.

Amounts recognized in the statements of financial position as at December 31 are as follows:

	Note	2023	2022
Right-of-use asset			
Beginning of the year		333,975	265,222
Additions during the year		840,012	801,540
Amortization	13	(823,981)	(732,787)
		350,006	333,975
Lease liability			
Current		3,232,886	2,392,874
Non-current		-	-
		3,232,886	2,392,874

The movement of lease liabilities for the years ended December 31 are as follows:

	2023	2022
Beginning of the year	2,392,874	1,591,335
Additions during the year	840,012	801,539
	3,232,886	2,392,874

There are no cash outflow for leases for the year ended December 31, 2023 and 2022.

Amounts recognized in the statements of total comprehensive income for the years ended December 31 are as follows:

	Notes	2023	2022
Amortization expense on right-of-use asset	13	823,981	732,787
Interest expense on lease liability	9	11,785	8,688
		835,766	741,475

Discount rate

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Critical accounting estimate: Determination of incremental borrowing rate

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Group uses the government bond yield, adjusted for the (1) credit spread specific to the Group and (2) security using the right-of-use assets.

Critical accounting judgment: Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Future minimum lease payments under lease liabilities and the net present value of the minimum lease payments as at December 31 follows:

	2023	2022
Not later than 1 year	3,235,693	2,459,043
Later than 1 year but not more than five years		-
	3,235,693	2,459,043
Future finance charges	(2,807)	(66,169)
	3,232,886	2,392,874

The present value of lease liabilities at December 31 is as follows:

	2023	2022
Not later than 1 year	3,232,886	2,392,874
Later than 1 year but not more than five years		-
	3,232,886	2,392,874

Group as the lessor

Lease agreement with a third-party lessee

On May 4, 2020, the Group entered into a contract of lease with a third-party lessee for the property of GCH covered under the Land Management Agreement (Note 8). The lease contract is for a period of two (2) years and one (1) month beginning May 4, 2020 and terminating on June 3, 2022, unless pre-terminated or cancelled in accordance with the lease contract. The contract of lease is renewable for a period of one (1) year upon mutual agreement of the parties. The agreement was renewed for another year from June 4, 2022 to June 3, 2023. During the year, the agreement was renewed for another year from June 4, 2023 to June 3, 2024. An escalation of 2.5% will be effected on the rental amount on the second year of the lease.

The contract requires security deposits equivalent to three (3) months of rental amount or P4,259,623 (2022 - P4,056,784), which is refundable without interest, 90 days after the expiration of the contract or termination without prejudice to the lessor's right to deduct from the said deposit any unpaid amount due and owing to the lessor and to deduct any and all expenses which the lessor may incur as a consequence and/or result of the lessee's use of the leased premises.

The contract also requires advance rental payments equivalent to the last three (3) months of the lease period or P4,483,815 (2022 - PP4,065,785). The advance rental shall apply to and be deemed payments for rentals accruing on the last three months of the lease period. As at report date, there is no application of any advance rental payment in consideration of the ongoing negotiation for the renewal of the lease agreement for another year.

In 2023, there was additional security deposit and advance rental received amounting to P620,869 for the rental fee escalation.

For the year ended December 31, 2023, rental income from the lease contract amounted to P17,223,542 (2022 - P15,957,335).

The total estimated future minimum rental income on the lease of property as at December 31 are as follows:

	2023	2022
Not later than 1 year	8,743,438	6,761,308
Later than 1 year but not more than 5 years	-	-
	8,743,438	6,761,308

18 Income (loss) per share

Income (loss) per share (basic and diluted) for the years ended December 31 was computed as follows:

	2023	2022	2021
Income (loss) for the period	11,798,954	8,814,388	(3,191,445)
Weighted average number of outstanding shares	250,059,097	250,059,097	250,059,097
Basic and diluted income (loss) per share	0.0472	0.0352	(0.0127)

There were no potential dilutive shares in 2023, 2022 and 2021.

19 Foreign currency denominated monetary asset

The Group's foreign currency denominated asset as at December 31, 2023 and 2022 are as follows:

As at December 31, 2023

	US Dollar	Exchange rate at December 31	Peso equivalent
Cash in bank	10,926	55.567	607,100

As at December 31, 2022

	US Dollar	Exchange rate at December 31	Peso equivalent
Cash in bank	10,922	56.120	612,951

Foreign exchange (loss) gain for the years ended December 31 consists of:

	2023	2022	2021
Realized foreign exchange gain	-	165,903	-
Unrealized foreign exchange (loss) gain	(6,040)	34,614	290,427
	(6,040)	200,517	290,427

20 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group believes the following represent a summary of these significant estimates, assumptions and judgments and their related impact and associated risks in the consolidated financial statements:

20.1 Critical accounting estimates

- *Evaluation of net realizable value of real estate held for development and sale (Note 4)*
- *Useful lives of property and equipment (Note 6)*
- *Determining incremental borrowing rate (Note 17)*

20.2 Critical judgments in applying the Group's accounting policies

- *Provision for losses on real estate held for development and sale (Note 4)*
- *Recoverability of input VAT and creditable withholding taxes (Note 5)*
- *Impairment of property and equipment (Note 6)*
- *Revenue recognition (Note 10)*
- *Recoverability of DIT assets (Note 16)*
- *Determining lease term (Note 17)*

21 Financial risk and capital management

21.1 Financial risk management

The Group's overall risks management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily with respect to its cash maintained in U.S. Dollar. The Group's financial position and results of operations are affected by the movement in the U.S. Dollar to Philippine Peso exchange rate. Foreign exchange risk arises when recognized assets denominated in a currency that is not the Parent Company's functional currency.

Transactions denominated in foreign currencies and related exchange rates are monitored by management in order to minimize risk based on Group's policies.

The Group's foreign denominated financial assets are presented in Note 19.

Assuming that all other variables remain constant, a movement of the PHP against USD at reporting date would not result to significant foreign currency exchange risk.

The sensitivity rates used in this assessment represent the rates of change between the foreign currency at December 31, 2023 and 2022 and the foreign currency exchange rates determined 30 days from the reporting period, by which management is expected to realize the Group's financial assets.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Group's business, could result to losses that are different from those provided for at reporting date.

Credit risk arises from cash deposits and short-term investment with banks and financial institutions, as well as credit exposure on receivables. The fair values of these financial assets approximate their net carrying amounts.

The Group has the following financial assets that are subject to credit risks:

Class of financial assets	At gross amounts	Neither past due nor impaired	Past due but not impaired	Overdue and impaired
<i>December 31, 2023</i>				
Cash and cash equivalents*	115,906,196	115,906,196	-	-
Receivables	66,016	66,016	-	-
Deposits	953,260	953,260	-	-
Total	116,925,472	116,925,472	-	-

*Excluding cash on hand amounting to P4,000

Class of financial assets	At gross amounts	Neither past due nor impaired	Past due but not impaired	Overdue and impaired
<i>December 31, 2022</i>				
Cash and cash equivalents*	95,292,135	95,292,135	-	-
Short-term investments	19,398,721	19,398,721	-	-
Receivables	4,048,792	4,048,792	-	-
Deposits	953,260	953,260	-	-
Total	119,692,908	119,692,908	-	-

*Excluding cash on hand amounting to P4,000

The Group applied the expected credit loss model as follows:

Class of financial assets	At gross amounts	Expected credit losses	Net carrying amount	Internal credit rating	Basis for recognition of expected credit loss (ECL)
<i>December 31, 2023</i>					
Cash and cash equivalents*	115,906,196	-	115,906,196	Performing	12-month ECL
Receivables	66,016	-	66,016	Performing	Simplified approach
Deposits	953,260	-	953,260	Performing	12-month ECL
Restricted cash	10,000	-	10,000	Performing	12-month ECL
Total	116,935,472	-	116,935,472		

*Excluding cash on hand amounting to P4,000

Class of financial assets	At gross amounts	Expected credit losses	Net carrying amount	Internal credit rating	Basis for recognition of expected credit loss (ECL)
<i>December 31, 2022</i>					
Cash and cash equivalents*	95,292,135	-	95,292,135	Performing	12-month ECL
Short-term investment	19,398,721	-	19,398,721	Performing	12-month ECL
Receivables	4,048,792	-	4,048,792	Performing	Simplified approach
Deposits	953,260	-	953,260	Performing	12-month ECL
Restricted cash	10,000	-	10,000	Performing	12-month ECL
Total	119,702,908	-	119,702,908		

*Excluding cash on hand amounting to P4,000

Cash and cash equivalents, short-term investment and interest receivable

To minimize credit risk exposure from cash and cash equivalents, short-term investment and interest receivable, the Group maintains cash deposits and short-term placements in reputable banks. The Group assesses that cash and cash equivalents, short-term investment and interest receivable have low credit risk considering the bank's external credit ratings.

The Group maintains all of its cash deposits and short-term placements in banks with strong credit ratings to minimize exposure to credit risk. Amounts deposited in these banks as at December 31, are as follows:

	2023	2022
Universal bank	51,588,506	59,319,268
Thrift bank	64,317,690	55,371,587
	115,906,196	114,690,855

The remaining balance of cash and cash equivalents as at December 31, 2023 amounting to P4,000 (2022 - P4,000) represent cash on hand, which is not exposed to significant credit risk (Note 2).

Receivables

The Group trades mainly with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

To measure the expected credit losses, these receivables from customers have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data. The Group has identified the inflation rate and the gross domestic product to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

Credit quality of customers classified as performing are customers and counterparty balances without history of default and assessed to be fully recoverable.

Due from related parties

Due from related parties are collectible on demand and therefore, expected credit losses are based on the assumption that repayment of balances outstanding are demanded at the reporting date. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of related parties, Parent Company has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

Deposits

Deposits are made with various unrated counterparties with no history of default with insignificant credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its operating cash requirements. The Group manages liquidity risk by monitoring expected cash flows and seeks funding from its shareholders to meet its operating commitments.

The Group's financial liabilities as at December 31, which are due and demandable, are as follows:

	Notes	2023	2022
Trade payables and other liabilities	8	6,170,774	5,390,884
Advances from shareholders	9	131,677,769	131,677,769
Security deposits	17	4,259,623	4,056,784
Lease liabilities including future interest	17	3,235,693	2,459,043
		145,343,859	143,584,480

As at December 31, 2023, trade payables and other liabilities presented above exclude amounts payable to BIR amounting to P410,995 (2022 - P1,885,112) and advances from customers amounting to P377,778

(2022 - P377,778). Liquidity risk is not significant given the limited amount of financial liabilities payable to third parties.

21.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to implement business plans to make the Group profitable in the future.

In order to maintain or adjust the capital structure, the Group may issue new shares. Total capital being managed by the Group as at December 31, 2023 and 2022 consists of:

	Note	2023	2022
Share capital, net	11	188,184,179	188,184,179
Share premium	11	143,334,770	143,334,770
Treasury shares	11	(82)	(82)
Deficit		(298,067,642)	(309,866,596)
		33,451,225	21,652,271

The Group has identified target projects, ventures, businesses and assets that can be included in the holdings of the Group for which the Group may issue shares in exchange for owning them.

As discussed in Note 1, the Parent Company obtained approval from the SEC on February 7, 2018 for the Parent Company's increase in authorized capital stock amounting to P330,000,000. This enabled the Group to generate further capital infusion from its shareholders to support its business plans.

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE has required listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, to be held by the public.

The Parent Company has complied with the minimum public float as at December 31, 2023 and 2022.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, 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 Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

These consolidated financial statements have been prepared under the historical cost convention.

The Group is monitored as a single operating segment considering the limited transactions for each of the three years in the period ended December 31, 2023.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 19.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

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

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what 'material accounting policy information' is (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group adopted the amendment and updated the disclosures of material accounting information.

(b) New standards, amendments and interpretations not yet adopted

There are no relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2024 that are expected to have a material impact on the Group's financial statements.

22.2 Consolidation

Subsidiary

Subsidiary is an entity (including structured entity) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations that result in the acquisition of a subsidiary by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized is recorded as goodwill. Inter-company transactions, balances and unrealized gains on transactions between the Parent Company and its subsidiary are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Group surrenders control to a related party within the Group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

22.3 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and (b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group did not hold financial assets under category (a) during and as at December 31, 2023 and 2022.

Recognition and subsequent measurement

The Group recognizes a financial asset in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Regular-way purchases and sales of financial assets are recognized on trade date - the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented within operating expenses in the statement of total comprehensive income.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

General approach

The Group applies the general approach to provide for ECLs on due from related parties. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other gains/(losses).

22.4 Financial liabilities

Classification

The Group classifies its financial liabilities as: (i) financial liabilities at fair value through profit or loss and (ii) other financial liabilities measured at amortized cost. The Group does not have any financial liabilities at fair value through profit or loss.

These are included in current liabilities, except for maturities greater than 12 months after the reporting date or when the Group has an unconditional right to defer settlement for at least 12 months after the reporting date which are classified as non-current liabilities.

Recognition

Other financial liabilities at amortized cost are recognized in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Measurement

The Group's financial liabilities are initially measured at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest rate method.

Derecognition

Financial liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

22.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

The Group did not enter into any legally enforceable master netting agreements or other similar arrangements that would require offsetting of financial assets and liabilities as at December 31, 2023 and 2022.

22.6 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

As at December 31, 2023 and 2022, the Group has no assets and liabilities measured at fair value. The fair value of the financial assets and liabilities carried at amortized cost approximates their carrying value due to their short term maturities.

22.7 Real estate held for development and sale

Real estate held for development and sale is carried at the lower of cost or net realizable value. The cost of real estate under development is determined using the inputs method. Cost includes construction and development costs of the real estate property plus other costs and expenses incurred incidental to the development of the property. Cost is further reduced by any provision for write-down. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make sale.

The excess of cost of real estate under development and sale over the net realizable value is recognized as write-down in profit or loss. Reversals of previously recorded write-downs are credited to profit or loss based on the result of management's update assessment, considering the available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Real estate under development is derecognized when sold or written-off. When real estate under development is sold, the carrying amount of the asset is recognized as an expense in the period in which the related revenue is recognized.

22.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Capital expenditures related to a project which are partially received or incurred are classified as construction in-progress and are stated at historical cost. These are not reclassified to the other property, and equipment accounts and depreciated until such time that the relevant assets are substantially completed and ready for intended use.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives (in years), as follows:

	No. of years
Office equipment	5 years
Furniture and fixture	5 years
Leasehold improvements	5 years or term of lease, whichever is shorter

Leasehold improvements are amortized over the estimated useful lives of the improvements or the anticipated term of the lease, whichever is shorter. Management renews its lease when the term expires.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

22.9 Investment property

Investment property pertaining to building held for long-term rental yields and are not occupied by the Group. Investment properties are carried at cost less accumulated depreciation and any impairment, except for land, which is shown at cost less any impairment. Cost is the fair value of the consideration given to acquire the property, including transaction costs such as legal fees and taxes on the purchase of the property. The cost of a self-constructed asset includes all directly attributable costs required to bring the property to its required working condition. Subsequent expenditure should demonstrably enhance the original asset to qualify for recognition. Transfers to investment property do not result in gains or losses.

Depreciation on investment properties other than land is calculated using the straight-line method over the estimated useful life of 25 years.

Derecognition of an investment property will be triggered by a change in use or by sale or disposal. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset and is recognized in profit or loss.

22.10 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use requires entities to make estimates of future cash flows to be derived from the particular asset, and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risk specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately as other operating income in the statement of total comprehensive income.

22.11 Current and deferred income tax

The income tax expense for the period normally comprises current and deferred tax. Income tax expense is recognized in profit or loss within income tax (expense) credit, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

DIT assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the DIT liability arises from the initial recognition of goodwill.

DIT assets are derecognized when it is utilized or when it is no longer probable that future taxable profit can be utilized from the temporary deductible differences. DIT liabilities are derecognized when the temporary taxable differences have been settled.

The Group reassesses at each reporting date the need to recognize a previously unrecognized DIT asset.

22.12 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets and expenses are recognized. Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using effective interest method. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables and other liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

22.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalized as part of the cost of that asset. Borrowing costs, not directly attributed to a qualifying asset, are recognized and charged to profit or loss in the year in which they are incurred.

Borrowings are derecognized when the obligation is settled, paid or discharged.

22.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required upon settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

22.15 Contingencies

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

22.16 Equity

Share capital

Ordinary shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium

Any amount received by the Group in excess of par value of its shares is credited to share premium which forms part of the non-distributable reserve of the Group and can be used only for purposes specified under corporate legislation.

Subscriptions receivable

Subscriptions receivable pertains to the unpaid subscription price by the shareholder.

Share issuance cost

Share issuance costs incurred for the listing and offering process of the Group are recognized as deduction to share premium in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

Retained earnings (deficit)

Retained earnings (deficit) include current and prior years' results, net of transactions with shareholders and dividends declared, if any.

Appropriated retained earnings pertain to the portion of the accumulated profit from operations which are restricted or reserved for a specific purpose, such as capital expenditures for expansion projects, and approved by the Group's Board of Directors.

Unappropriated retained earnings pertain to the unrestricted portion of the accumulated profit from operations of the Group which are available for dividend declaration.

Treasury shares

Where the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity.

22.17 Earnings per share

Basic earnings (loss) per share is computed by dividing profit (loss) for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. The Group has no dilutive potential ordinary shares during and at the end of each reporting period.

22.18 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Parent Company's BOD.

22.19 Revenue recognition

a) Contract revenues from sale of real estate properties

The Group develops and sells residential units. Under a contract to sell a residential unit, the object is the property itself, which is the normal output of a real estate business. In addition, this contract contains information such as the contracting parties' rights and payment terms, which are essential elements for a valid revenue contract. The contract must be signed by the contracting parties to make it enforceable prior to revenue recognition. The Group assesses the commercial substance of the contract and the probability that it will collect the consideration.

When a contract with a customer does not meet the criteria for revenue recognition and the Group receives consideration from the customer, the Group shall recognize the consideration received as revenue only when either of the following events has occurred:

- a) The entity has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or
- b) The contract has been terminated and the consideration received from the customer is non-refundable.

The Group satisfies its performance obligation as it develops the property. Therefore, revenue is recognized over time, i.e. as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work. Sale of real property held for sale are revenue from contracts with customers recognized at a point in time upon transfer of control to customers. Land and materials delivered on site, which are yet to be installed/attached to the main structure, are excluded from the percentage-of-completion.

For income taxation purposes, income from sale of real estate properties is recognized in full in the year when substantial down payment from the buyer is received following the provisions of the Tax Code. Otherwise, taxable income is based on cash collections under installment method.

b) Contract asset and contract liabilities

Costs incurred as a result of obtaining a contract which are payable upon signing of the contract to sell and deed of absolute sale are capitalized as contract assets considering that this would not have been incurred if the contract had not been obtained. The contract asset is amortized as the related revenue from the contract is recognized.

Contract liabilities presented represent the reservation fees and advance payments for customized improvements that have not yet qualified for revenue recognition. These are classified as current liabilities and will be released to revenue when all criteria for revenue recognition are met.

As a practical expedient, the Group did not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the Group expects to recognize a revenue from the performance obligation in accordance with paragraph 120 of PFRS 15 since the performance obligation is part of a contract that expected to be completed within 12 months from the reporting date.

c) Rental income

Rental income from operating lease is recognized in profit or loss on a straight-line basis over the lease term. Rental income is shown net of value-added tax. Any difference between the rental income determined on a straight-line basis and the actual lease payment is recognized as a rent receivable or unearned rental income as the case may be. These are included in non-current assets or liabilities, except if the remaining lease period is within one year after the reporting period, which are then classified as current assets or liabilities.

22.20 Leases

Group as the lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(a) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for
- leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets that are held for rental are accounted for as investment property. The Group's right-of-use asset consisting of land and building held for rental qualify as investment property.

(c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of service tools and equipment.

Group as the lessor

Leases in which the Group does not transfer substantially all the risks and rights for the leased assets to the lessee are classified as operating lease. Assets leased out under operating leases are included in investment properties in the statements of financial position. Rental income is recognized on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as rental income. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The Group has no finance leases during and at the end of each reporting period.

22.21 Related party relationships and transactions

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

22.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, represented by the Parent Company's Board of Directors who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the primary person that makes strategic decisions.

The Group's operations is managed as a single business segment; consequently, the Group does not prepare a segmental analysis for its consolidated financial statements.

Jackstones, Inc. and Subsidiary

**Consolidated Financial Statements with Supplementary
Schedules for the Securities and Exchange Commission
December 31, 2023**

Jackstones, Inc. and Subsidiary

Consolidated Financial Statements with Supplementary
Schedules for the Securities and Exchange Commission
December 31, 2023

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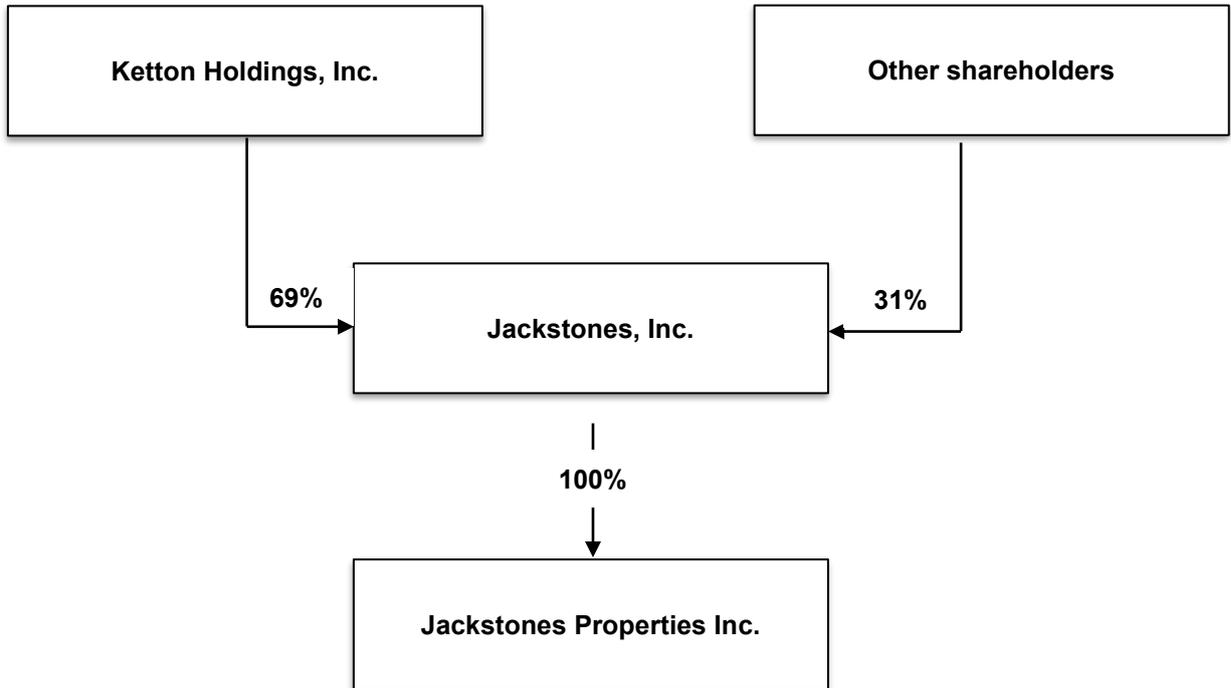
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FIRST SECTION

SECOND SECTION

Jackstones, Inc. and Subsidiary

A Map Showing the Relationships among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or co-subsidiaries and Associates
December 31, 2023



SCHEDULE A

Jackstones, Inc. and Subsidiary

Financial Assets
December 31, 2023

Title of issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotation at end reporting period	Income received and accrued
Cash on hand	Not applicable	4,000	Not applicable	-
Cash and cash equivalents				
Bank of the Philippine Islands	Not applicable	32,600,337	Not applicable	1,627,004
BDO Unibank Inc.	Not applicable	18,723,189	Not applicable	628,733
Philippine Business Bank	Not applicable	64,317,690	Not applicable	2,113,939
China Bank Corporation	Not applicable	5,522	Not applicable	-
Security Bank	Not applicable	259,458	Not applicable	980
Short-term investment				
Due from a related party	Not applicable	12,471,964	Not applicable	-

SCHEDULE B

Jackstones, Inc. and Subsidiary

Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Shareholders (other than Related Parties)
December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Great Circle Holdings Inc.							
- Entity under common control	-	66,016	-	-	66,016	-	66,016
Ketton Property Management and Consultancy							
- Entity under common control	-	12,471,964	-	-	-	12,471,964	12,471,964
	-	12,537,980	-	-	66,016	12,471,964	12,537,980

SCHEDULE C

Jackstones, Inc. and Subsidiary

Amounts Receivable from Related Parties which are eliminated
during the consolidation of financial statements
December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of year
Jackstones Properties, Inc., Subsidiary	106,435,732	-	-	-	106,435,732	-	106,435,732

SCHEDULE D

Jackstones, Inc. and Subsidiary

Long-Term Debt
December 31, 2023

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Borrowings, current portion" in the statement of financial position	Amount shown under caption "Borrowings, net of current portion" in the statement of financial position
NOT APPLICABLE			

SCHEDULE E

Jackstones, Inc. and Subsidiary

Indebtedness to Related Parties
December 31, 2023

Name of related party	Balance at beginning of year	Balance at end of year
Ketton Holdings, Inc. *	131,677,769	131,677,769

* The Group receives advances from the shareholders for working capital purposes.

SCHEDULE F

Jackstones, Inc. and Subsidiary

Guarantees of Securities of Other Issuers
December 31, 2023

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	Amount owed by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

SCHEDULE G

Jackstones, Inc. and SubsidiaryCapital Stock
December 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants conversion, and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	500,000,000	167,559,097	-	90,481,927	26,811,440	50,265,730

Jackstones, Inc. and Subsidiary

Schedule of Financial Soundness Indicator
December 31, 2023 and 2022

Ratio	Formula	2023	2022
Current ratio	Total current assets	150,481,644	173,556,626
	Divided by: Total current liabilities	158,467,706	157,846,378
	Current ratio	0.95	1.10
Acid test ratio	Total current assets	150,481,644	173,556,626
	Less: Real estate held for development and sale	(28,527,470)	(48,409,188)
	Contract assets	(2,265,221)	(1,586,549)
	Prepayments and other current assets	(3,712,741)	(4,817,241)
	Quick assets	115,976,212	118,743,648
	Divided by: Total current liabilities	158,467,706	157,846,378
Acid test ratio		0.73	0.75
Solvency ratio	Profit after tax	11,798,954	8,814,388
	Add: Depreciation and amortization expense	2,486,719	3,812,625
	Profit after tax, before depreciation and amortization	14,285,673	12,627,013
	Divided by: Total liabilities	158,467,706	157,846,378
	Solvency ratio		0.09
Debt-to-equity ratio	Total liabilities	158,467,706	157,846,378
	Divided by: Total equity	33,451,225	21,652,271
	Debt-to-equity ratio		4.74
Asset-to-equity ratio	Total assets	191,918,931	179,498,649
	Divided by: Total equity	33,451,225	21,652,271
			5.74
Interest rate coverage ratio	Profit before interest and tax	15,538,654	12,760,061
	Divided by: Interest expense	11,785	8,688
	Interest rate coverage ratio		1,318.51
Return on equity	Profit after tax	11,798,954	8,814,388
	Divided by: Average total equity	27,551,748	17,245,077
			43%
Return on asset	Profit after tax	11,798,954	8,814,388
	Divided by: Average total assets	185,708,790	176,610,927
			6%
Net profit margin	Profit after tax	11,798,954	8,814,388
	Divided by: Net revenue	51,257,791	87,738,361
			23%

Jackstones, Inc. and Subsidiary

Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2023

(All amounts in Philippine Peso)

	Amount
Deficit, beginning of the year	(320,508,679)
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	-
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others	-
Deficit, as adjusted	(320,508,679)
Add: Net (Loss) Income for the current year	(2,578,787)
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-

(continued)

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	-
Adjusted net (loss) income		(2,578,787)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add (Less): Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	-

(continued)

Add (Less): Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Total deficit, end of the year available for dividend declaration*	(323,087,466)

JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

Annex F - Management's Discussion and Analysis of Financial Condition and Results of Operations

(as of 31 December 2023 and 31 March 2024, with Comparative Figure as of 2022 and 2021)

I. Plan of Operation

- A. Jackstones, Inc. ("JAS" or "Company") and its subsidiary, Jackstones Properties, Inc. ("JPI") has no plan to acquire new lands for development in the next twelve (12) months. It will instead offer auxiliary real estate services in order to augment its sources of revenue. The said Rental Income shall be used to satisfy the present cash requirements of the Company;
- B. Nevertheless, the Company, through its subsidiary, is in partnership with Bluebell Properties and Holding Corporation for the construction and leasing of a three-storey building project located at Kanlaon St., Brgy. Sta. Teresita, Quezon City. As of the moment, there is no concrete and definitive timeline as to when the project will be completed.
- C. Lastly, the Company does not see any of the following developments for the next seven (7) months from the preparation of this Summary:
1. Purchase or sale of plant and significant equipment; and
 2. Significant changes in the number of employees.

The Company will immediately inform its stakeholders of any and unforeseen change in any of the enumerated items.

II. Management's Discussion and Analysis

A. Description of Operations and Summary of Material Events

As appearing in the constitutive documents of the Company and its subsidiary, it is engaged, among others, in property development and lease of real property.

In 2018, JPI purchased a land for future development and sale to start its commercial operations. For 2019 JPI obtained the approval from Housing and Land Use Regulatory Board (HLURB) for the license to sell saleable units in the purchased land. As at December 31, 2021, the constructions of Michelia Residences, a townhouse project has been substantially completed. The project has generated income in 2023 and 2022. In 2021, JPI entered into a Land Management Agreement with its related party, Great Circle Holdings Inc. which generated additional income for the subsidiary during the year. In 2022, the agreement was renewed effective up to 2023. In 2022, JPI entered into another Land Management Agreement with its related party, Bluebell Properties and Holding Corporation to generate additional income for the subsidiary.

B. Financial and Operational Results

1. Results of Operations

Comparison of key financial performance for the month ended 31 March 2024 and for the calendar year-ended 31 December 2023, 2022, and 2021 are summarized in the following tables:

	March 31 2024	2023	December 31 2022	2021
Revenue	4,483,815	51,257,791	87,738,361	43,605,800
Cost of Sales and Services	(564,579)	(24,120,148)	(59,372,108)	(35,454,254)

Gross Profit	3,919,236	27,137,643	28,366,253	10,581,546
Administrative Expenses	(6,539,771)	(16,934,665)	(16,892,760)	(13,989,452)
Operating Income (Loss)	(2,620,535)	10,202,978	11,473,493	(3,137,906)
Foreign Exchange Gain (Loss)	33	(6,040)	200,517	290,427
Finance cost	(1,988)	(11,785)	(8,688)	(21,483)
Interest Income	513,034	5,341,716	1,086,051	544,721
Income tax expense	-	(3,727,915)	(3,936,985)	(867,204)
Net Income (Loss)	(2,035,955)	11,798,954	8,814,388	(3,191,445)

The revenue recognized in the Company's financial statements in refers to the lease agreement by and between JPI and a third-party entity of the property owned by Great Circle Holdings Inc. ("GCH"), JPI's related party under common control. JPI is assigned as the authorized representative for the real property owned by GCH situated in Taguig City for a total area of 7,847.96 square meters. The lease agreement is for twelve (12) months with escalation rate of at least 2.5% annually, which may be renewed upon terms and conditions agreed upon by the parties. Furthermore, the sale of real property held for development and sale refers to the sale of units in Michelia Residences.

The Company's negative income in 2021 coincide with its forecast because the revenue from the Michelia Residences (the "Project") could not be recognized until there is turnover of unit/s.

2. Financial Condition

JAS's objective when managing capital are to support JAS's ability to effectively deploy capital and to protect the interest of its shareholders.

Management shall utilize the capital structure that generates the most value for shareholders and this may entail adjustments to dividends paid to shareholders, loans obtained from banks, and the issuance of new shares. Total capital being managed by JAS as its total equity is shown in the attached statement of financial position.

JAS is also currently negotiating with various investment groups to raise new capital and is also seriously considering another public offering to raise more funds for its investments and holdings. JAS continues to review projects, ventures, businesses and assets that can be included in the holdings of it of which JAS may issue shares in exchange for owning them. Nevertheless in the near future, there are no definite plans that may hatch in relation to infusion of new and fresh financing. The Company will nonetheless immediately disclose the same once the details, if any, have been specified.

Further as March 31, 2024, the consolidated financial statements of JAS show its assets consisting of:

- a. cash and cash equivalent in the amount of P90,468,811;
- b. receivable of P135,974;
- c. real estate held for development and sale of P28,732,232;
- d. due from related parties of P22,271,964;
- e. contract assets of P1,664,403;
- f. prepayment and other current asset of P4,277,506;
- g. property and equipment – net P592,259;
- h. investment property – net P36,527,393
- i. right-of-use asset – net P140,003;
- j. input VAT, non-current of P1,903,342;
- k. other non-current asset of P7,179,493; and
- l. deferred income tax assets P732,869.

Total assets as of March 31, 2024 amounted to P194,626,249 compared to P179,356,691 total assets as of March 31, 2023.

Comparison of key financial position for the three (3) months period ended March 31, 2024 and calendar year ended December 31, 2023, 2022 and 2021 are summarized in the following tables:

	March 31	December 31		
	2024	2023	2022	2021
Current Assets	125,278,926	150,481,644	173,556,626	168,505,832

Non-current Assets	69,347,323	41,437,287	5,942,023	5,217,372
Total Assets	194,626,249	191,918,931	179,498,649	173,723,204
Current Liabilities	163,210,979	158,467,706	157,846,378	152,857,869
Non-current Liabilities	-	-	-	8,027,452
Total Liabilities	163,210,979	158,437,706	157,846,378	160,885,321
Deficit	(300,103,597)	(298,067,642)	(309,866,596)	(318,680,984)
Equity	31,415,270	33,451,225	21,652,271	12,837,883
Total Liabilities and Equity	194,626,249	191,918,931	179,498,649	173,723,204

JAS has no additional advances from shareholders during the period while the current liabilities pertain to additional customers deposit from the sale of Michelia Residence units.

Likewise, the constant increase in current assets from 2021 to 2024 was primarily due to the construction and development cost of Michelia Residences and the three-storey building project with Bluebell Properties and Holding Corporation, collection proceeds from sale of house units, and investments in time deposits. In the same matter, the movement in liabilities of the Company pertains to collection of deposits from customers and reversal of deposits to revenue.

Likewise, the comparative increase (decrease) of financial analysis of balance as follows:

	31 Mar 2024 vs 31 Dec 2023	31 Mar 2023 vs 31 Dec 2022	31 Mar 2022 vs 31 Dec 2021
Current Assets	(16.75%)	0.21%	2.17%
Non-current Assets	67.35%	(8.55%)	(30.11%)
Total Assets	1.41%	(0.08%)	1.20%
Total Liabilities	2.99%	(0.41%)	1.86%
Deficit	0.68%	(0.16%)	1.42%
Equity	(6.09%)	2.30%	(7.06%)

3. Key Performance Indicators

JAS's key performance indicators are as follows:

- a. Current Ratio;
- b. Acid-Test Ratio;
- c. Net Debt to Equity Ratio;
- d. Debt to Asset Ratio; and
- e. Asset to Equity Ratio

Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards ("PFRS") and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

The following are the key performance indicators of JAS consolidated financial statement and JPI in relation to its financial condition as of March 31, 2024 and December 31, 2023, 2022 and 2021:

	JAS and its Subsidiary				Jackstones Properties Inc.			
	31 Mar	31 Dec			31 Mar	31 Dec		
	2024	2023	2022	2021	2024	2023	2022	2021
i. Current Ratio	0.77	1.95	1.10	1.10	0.73	0.91	1.07	1.03
ii. Acid-Test Ratio	0.56	0.73	0.75	0.40	0.49	0.66	0.66	0.30
iii. Debt to Equity Ratio	5.20	4.74	7.29	12.53	5.19	4.66	9.39	535.20
iv. Debt to Asset Ratio	0.84	0.83	0.88	0.93	0.84	0.82	0.90	1.00
v. Asset to Equity Ratio	6.20	5.74	13.53	8.57	6.19	5.66	536.20	(486.45)

a. Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. This tells investors how a company can maximize the current assets on its balance sheets to satisfy its current debt and other payables; calculated by dividing current assets by current liabilities.

b. Acid-Test Ratio

The acid-test ratio provides a simple and more accurate assessment of the Company's ability to pay its current liabilities. This is calculated as cash plus accounts receivable divided by current liabilities.

c. Debt to Equity Ratio

The debt-to-equity ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage and measure the degree to which a company is financing its operations through debt versus wholly-owned funds.

d. Debt to Asset Ratio

This ratio quantifies the percentage of the Company's assets that have been financed with short-term and long-term debts. This is calculated by dividing total debts by total assets.

e. Asset to Equity Ratio

The asset to equity ratio shows the relationship of the total assets of the company to the portion owned by shareholders. This ratio is an indicator of the company's leverage used to finance JAS.

4. Other Relevant Information

Nevertheless, we highlight that in early 2020, there was an outbreak of the COVID-19 which was declared by the World Health Organization ('WHO') as a pandemic in March 2020. Due to this outbreak, the government implemented strong measures to control the spread of the COVID-19 such as the Enhanced Community Quarantine (ECQ). These measures highly affected the economy of the Philippine market due to slow-down of the business activities.

As expected, JAS's operation was disrupted by the said measures. Nevertheless, JAS's residential development project, Michelia Residences, was repurposed to include mixed-used units. Notwithstanding the challenges posed by the pandemic, JAS finished its flagship project, the Michelia Residences, during CY2022.

Other than this fact and in accordance to the information required to be disclosed under Annex C, Part III, Item (A) Section (2) Sub-item (a)(i) to (viii) of Rule 12 of the Securities Regulation Code, the Company is not aware, with respect to its financial operations as of 31 March 2023, of:

- a. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way;
- b. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described;
- e. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described;
- f. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- g. Causes for any material change from period to period which shall include vertical and horizontal analyses of any material item; and
- h. Any seasonal aspects that had a material effect on the financial condition or results of operations.

5. Corporate Governance

- a. The Company places good corporate governance among the highest level of priority to ensure the improvement of its investors' trust and satisfaction;

- b. As such, it has issued and implemented several policies to ensure the observance of good corporate governance, namely:
- Alternative Dispute Mechanism
 - Code of Business Conduct
 - Whistleblower Policy
 - Policies and procedures on Related Party Transactions
 - Insider Trading Policy
 - Risk Management Policy
 - Internal Audit Charter
 - Succession Planning Program
 - Remuneration Policy
 - Nomination and Election Policy

There were no violation, deviations, or any untoward incidents contrary to the provisions of the aforementioned policies during the year.

- c. To further ensure the observance of good corporate governance, the Board annually evaluates its performance, as well as that of the Company. As for the previous years, the self-assessment procedures yielded the following scores (*on a scale of 5.0-1.0, with 5.0 being the highest rating and 1.0 being the lowest rating*).

	Board	Board Committees	Individual Members	Chairman	Management
Maximilian Tanenglian	4.0952	4.0000	5.0000	N/A	4.6250
Mariano Tanenglian	4.1905	5.0000	4.9444	5.0000	4.6875
Stilwell Tan Sy	3.9524	3.6667	4.0000	N/A	N/A
Jonathan Ong Carrangceja	3.9524	4.0000	4.0000	N/A	N/A
Amando Musni Velasco	4.0000	3.6667	4.0000	N/A	N/A
Willian Chong Lee	4.0000	3.6667	4.0000	N/A	N/A

- d. Further, the non-compliances in the governance guidelines and principles set forth by the SEC as exhibited in the Annual Corporate Governance Report were due to the fact that the implementation of the said guidelines takes into account the status, size, risk profile, and complexity of operations of the publicly listed company. Given the application conditions of the Company with respect to the said criteria, the said Recommendations and Supplement to Recommendations are effectively inapplicable to the Company as of the moment. Needless to say, the Company pledges to comply to all the said Recommendations and Supplement to Recommendations once the potential need of the compliance is needed.
- e. Lastly, rest assured that the Company is evaluating and checking further procedures and applicable policies to improve its adherence to principles and practices of good corporate governance to the highest possible level.

PSE Disclosure Form 17-12-A - List of Top 100 Stockholders (Common Shares)
Reference: Section 17.12 of the Revised Disclosure Rules

Type of Securities

Common

For the period ended	March 31, 2024
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Description of the Disclosure
Jackstones, Inc. List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	250,059,179
Number of Treasury Common Shares, if any	82
Number of Outstanding Common Shares	250,059,097
Number of Listed Common Shares	167,559,179
Number of Lodged Common Shares	54,880,768
PCD Nominee – Filipino	54,627,132
PCD Nominee – Non-Filipino	253,636
Number of Certificated Common Shares	195,178,411

Change from previous submission

Stock Transfer Service Inc.
JACKSTONES, INC.
List of Top 100 Stockholders
As of 03/31/2024

Page No. 1

Rank	Name	Holdings	Percentage
1	KETTON HOLDINGS INC.	172,981,927	69.18%
2	PCD NOMINEE CORPORATION	54,627,132	21.85%
3	DAVID T. FERNANDO	20,824,419	08.33%
4	COMPOSITE MARKETING CORP.	999,995	00.40%
5	PCD NOMINEE CORPORATION (NON-FILIPINO)	253,636	00.10%
6	FELIX G. CHUNG	145,895	00.06%
7	LEONEL A. SANTOS	55,274	00.02%
8	MA. PAZ ALCITA GALVAN	9,000	00.00%
9	MARIO B. CORNISTA	7,599	00.00%
10	MARIO YAMBOT	5,300	00.00%
11	SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	4,200	00.00%
12	LYDIA C. SAN JUAN	4,000	00.00%
13	ANTHONY H. STRIKE	3,820	00.00%
14	INOCENCIO R. CORTES	3,284	00.00%
15	RAYMUNDO A. YAP	2,980	00.00%
16	ZENAIDA M. STRIKE	2,820	00.00%
17	CEZAR G. SIRUELO JR.	2,768	00.00%
18	ALFREDO B. ALMONGUERA JR.	2,680	00.00%
19	JAMES CHIONGBIAN	2,120	00.00%
20	GRETA T. DE RAMOS	2,080	00.00%
21	TEODORO V. DIEZ	1,916	00.00%
22	JOSE R. ELAPE	1,900	00.00%
23	ANGELITO B. VILLANO	1,880	00.00%
24	REDEMPTO G. ECOBEN	1,700	00.00%
25	JOSE B. CONSUEGRA JR.	1,700	00.00%
26	CAMILO P. CASTRO	1,660	00.00%

Stock Transfer Service Inc.
JACKSTONES, INC.
List of Top 100 Stockholders
As of 03/31/2024

Page No. 2

Rank	Name	Holdings	Percentage
27	LEOPOLDO F. CORRO	1,600	00.00%
28	VIRGILIO F. DELGADO	1,600	00.00%
29	AURORA J. YAMBOT	1,600	00.00%
30	SIMEON T. SANTILLANA	1,560	00.00%
31	RENATO F. CORTES	1,560	00.00%
32	RUBEN F. CORTES	1,560	00.00%
33	CIRILO S. AJOC	1,500	00.00%
34	EVANGELITO D. BACLAY	1,480	00.00%
35	LINDA S. VILLANO	1,480	00.00%
36	ABEDEE C. ZERDA	1,480	00.00%
37	ERNESTO Y. SIBAL	1,476	00.00%
38	EDUARDO M. COTIANGCO	1,460	00.00%
39	CHARLIE D. ORTEGA	1,440	00.00%
40	FANNY CORTES GARCIA	1,331	00.00%
41	GERMAN L. MURILLO	1,240	00.00%
42	SUSAN G. YAP	1,180	00.00%
43	MYRNA V. SIRUELO	1,160	00.00%
44	DE RAMOS ITF: ANA JOSEFINA DE RAMOS GRETA T.	1,040	00.00%
45	STRIKE ITF: ROSEZEN STRIKE, ANTHONY H.	1,000	00.00%
46	STILWELL T. SY	1,000	00.00%
47	AMANDO M. VELASCO	1,000	00.00%
48	FELIXBERTO U. BUSTOS	1,000	00.00%
49	RELT INTERNATIONAL SERVICES CORP.	940	00.00%
50	EDERLINDA S. CORTES	860	00.00%
51	PRISCILLA L. CHIONGBIAN	840	00.00%
52	JUAN RAMON C. GARCIA	817	00.00%

Stock Transfer Service Inc.
JACKSTONES, INC.
List of Top 100 Stockholders
As of 03/31/2024

Page No. 3

Rank	Name	Holdings	Percentage
53	MA. CRISTINA S. CORTES	800	00.00%
54	MARC ANTHONY S. CORTES	800	00.00%
55	CARLO INOCENCIO CORTES	800	00.00%
56	LUCIO B. CABALLERO	800	00.00%
57	AURORA G. YAMBOT	800	00.00%
58	MARK J. YAMBOT	800	00.00%
59	MARTIN J. YAMBOT	800	00.00%
60	MICHAEL J. YAMBOT	800	00.00%
61	WENDY V. YAMBOT	800	00.00%
62	RAYMOND V. SIRUELO	800	00.00%
63	DERYCK V. SIRUELO	800	00.00%
64	JOSEFINA C. HONRADO	775	00.00%
65	MISAMIS LUMBER CO, INC.	630	00.00%
66	RYAN JAE G. YAP	600	00.00%
67	SHARISSE G. YAP	600	00.00%
68	SHERRY MAE G. YAP	600	00.00%
69	SANTOS ITF: SIMONETTE C. SANTOS, LEONEL A.	580	00.00%
70	JOSE ENRIQUE C. GARCIA	544	00.00%
71	JOSE L. ARANETA	525	00.00%
72	ISABELA CULTURAL CORPORATION	504	00.00%
73	TERESITA DIEZ CATANE	485	00.00%
74	CONCHA CUAYCONG	442	00.00%
75	ANGELA M. BUTTE (DECEASED)	438	00.00%
76	ERNESTO C. BULAWAN	320	00.00%
77	PETER B. BESARIO	320	00.00%
78	GERRY E. BESINGA	320	00.00%

Stock Transfer Service Inc.
 JACKSTONES, INC.
 List of Top 100 Stockholders
 As of 03/31/2024

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Rank	Name	Holdings	Percentage
79	TEODORICO L. BUCALAN JR.	320	00.00%
80	JOAQUIN E. DEL CARMEN	320	00.00%
81	KENNETH KARR E. CAGAS	320	00.00%
82	HECTOR R. CATUBIG	320	00.00%
83	ROMEO P. CORDERO	320	00.00%
84	LEONILO A. ALDONZA	320	00.00%
85	MYRNA B. ALAAN	320	00.00%
86	RODOLFO J. ALTRES	320	00.00%
87	GREGORIO M. ANCLA	320	00.00%
88	CHARLITO P. ASIDO	320	00.00%
89	PEDRO J. AZARCON	320	00.00%
90	JUSTINIANO G. BEBERINO	320	00.00%
91	INOCENCIO S. CRUDA	320	00.00%
92	NOEL F. DELA VEGA	320	00.00%
93	EMILIO P. DESOLOC	320	00.00%
94	CHRISTOPHER D. DINGCONG	320	00.00%
95	SHERMAN B. DIEZ	320	00.00%
96	PACIENCIO A. EGNALIG	320	00.00%
97	RENE M. ELLO	320	00.00%
98	LUZVIMINDA A. ESPANOL	320	00.00%
99	SAMUEL C. FAROLAN	320	00.00%
100	PATROCENIO G. FIJO	320	00.00%

Total Top 100 Shareholders : 250,008,412 99.98%

Total Issued Shares 250,059,179

JAS000000000 March 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 27, 2024

JAS000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	20,000
ABACUS SECURITIES CORPORATION	851,217
PHILSTOCKS FINANCIAL INC	1,153,002
A. T. DE CASTRO SECURITIES CORP.	6,000
ALPHA SECURITIES CORP.	3,160,000
AP SECURITIES INCORPORATED	131,000
ANSALDO, GODINEZ & CO., INC.	169,000
AB CAPITAL SECURITIES, INC.	180,000
SB EQUITIES,INC.	75,000
CHINA BANK SECURITIES CORPORATION	1,000,000
BPI SECURITIES CORPORATION	451,102
CTS GLOBAL EQUITY GROUP, INC.	2,110,000
TRITON SECURITIES CORP.	1,280,000
DAVID GO SECURITIES CORP.	100,000
E. CHUA CHIACO SECURITIES, INC.	61,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	202,000
EVERGREEN STOCK BROKERAGE & SEC., INC.	496,000
F. YAP SECURITIES, INC.	200,000
GOLDSTAR SECURITIES, INC.	10,000
HDI SECURITIES, INC.	346,001
H. E. BENNETT SECURITIES, INC.	396,000
INVESTORS SECURITIES, INC,	94,000
VALUE QUEST SECURITIES CORPORATION	1,619,000
LUYS SECURITIES COMPANY, INC.	125,600
COL Financial Group, Inc.	3,130,861
DA MARKET SECURITIES, INC.	46,000
MERIDIAN SECURITIES, INC.	10,000
MDR SECURITIES, INC.	4,207,843
MOUNT PEAK SECURITIES, INC.	22,900
MAYBANK SECURITIES, INC.	13,000
QUALITY INVESTMENTS & SECURITIES CORPORATION	202,000
R. COYIUTO SECURITIES, INC.	222,000
REGINA CAPITAL DEVELOPMENT CORPORATION	15,000
R. NUBLA SECURITIES, INC.	637,847
AAA SOUTHEAST EQUITIES, INCORPORATED	2,000
R. S. LIM & CO., INC.	150,000
S.J. ROXAS & CO., INC.	25,106
STANDARD SECURITIES CORPORATION	55,000

TOWER SECURITIES, INC.	530,100
LANDBANK SECURITIES, INC.	400
VENTURE SECURITIES, INC.	2,000
FIRST METRO SECURITIES BROKERAGE CORP.	735,300
WEALTH SECURITIES, INC.	40,000
WESTLINK GLOBAL EQUITIES, INC.	49,500
BERNAD SECURITIES, INC.	50,000
YAO & ZIALCITA, INC.	90,000
BDO SECURITIES CORPORATION	274,150
EAGLE EQUITIES, INC.	10,000
G.D. TAN & COMPANY, INC.	2,764,400
COHERCO SECURITIES, INC.	550,000
STAR ALLIANCE SECURITIES CORP.	26,809,439
Total	54,880,768

CERTIFICATION

I, JUAN MIGUEL VICTOR C. DE LA FUENTE, Filipino, of legal age, and with office address at Unit 2704 27th Floor, 88 Corporate Center Building, Sedeño co. ValeroSt., Salcedo Village, Makati City, Metro Manila 1227, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Corporate Secretary of JACKSTONES, INC. (formerly NEXTSTAGE, INC.), a domestic corporation organized and established under the laws of the Republic of the Philippines, with business address at 593 Antonio Drive, Bagumbayan, Taguig City 1630;
2. The incumbent members of the Board of Directors and the Officers of JACKSTONES, INC. are as follows:

Name	Board of Directors	Officer/Position
Mariano Chua Tanenglian	Chairman of the Board	
Aleta So Tanenglian	Member	Treasurer
Maximilian So Tanenglian	Member	President
Vandermir Carnegie Tan Say	Member	
Jonathan A. Ong Carranceja	Member	
Adaline Daryl T. Ong-Carranceja	Member	Assistant Corporate Secretary
Stilwell Tan Sy	Independent Director	
Amando Musni Velasco	Independent Director	
William Chong Lee	Independent Director	
Juan Miguel Victor C. De La Fuente		Corporate Secretary; Chief Information Officer; Investor Relations Officer
Jemimah Christian R. Solomon		Assistant Chief Information Officer
Ramtrina Marie C. Adrias		Assistant Chief Information Officer
Jennifer B. Balao		Compliance Officer

3. I am not aware if any of the incumbent directors and executive officers of JACKSTONES, INC. are connected to or are affiliated with any government agency, government office, government-owned and controlled corporate or instrumentality of the Republic of the Philippines.



JUAN MIGUEL VICTOR C. DE LA FUENTE
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 15 2024 at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification Number ID No. 222-649-589.

Doc. No. 123 ;
Page No. 26 ;
Book No. N ;
Series of 2024.


JUSTINELLI MARIE T. SIMJOCO
Appointment No. M-459 (2023-2024)
Notary Public for Makati City
Until December 31, 2024
27th Floor, 88 Corporate Center
141 Sedeño St., Salcedo Village, Makati City
Roll No. 83959
PTR No. 10076067 / 01-02-2024 / Makati City
IBP No. 301541 / 01-03-2024 / Quezon City Chapter
Admitted to the Bar on 15 June 2022

Jackstones, Inc. and Subsidiary

Consolidated Unaudited Financial Statements

**As at March 31, 2024 and December 31, 2023 and for each of the
three months in the period ended March 31, 2024 and 2023**

Jackstones, Inc. and Subsidiary

Consolidated Statements of Financial Position
As at March 31, 2024 and December 31, 2023
(all amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	90,468,811	115,910,196
Receivables	3, 9	135,974	66,016
Real estate held for development and sale	4	28,732,232	28,527,470
Contract assets	10	1,664,403	2,265,221
Prepayments and other current assets	5	4,277,506	3,712,741
Total current assets		125,278,926	150,481,644
Non-current assets			
Property and equipment, net	6	592,259	986,340
Investment property, net	7	36,527,393	17,555,049
Advances to a related party	9	22,271,964	12,471,964
Right-of-use asset, net	17	140,003	350,006
Input value-added tax (VAT)	5	1,903,342	1,841,542
Deferred tax asset	16	732,869	732,869
Other non-current assets	5	7,179,493	7,499,517
Total non-current assets		69,347,323	41,437,287
Total assets		194,626,249	191,918,931
Liabilities and Equity			
Current liabilities			
Trade payables and other liabilities	8	10,243,183	6,959,547
Advances from shareholders	9	131,677,769	131,677,769
Contract liabilities	10	10,808,307	7,854,066
Lease liabilities	9,17	3,232,886	3,232,886
Security deposit and advance rental	17	7,248,834	8,743,438
Total liabilities		163,210,979	158,467,706
Equity			
Share capital, net	1,11	188,184,179	188,184,179
Share premium	11	143,334,770	143,334,770
Treasury shares	11	(82)	(82)
Deficit		(300,103,597)	(298,067,642)
Total equity		31,415,270	33,451,225
Total liabilities and equity		194,626,249	191,918,931

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Total Comprehensive Income
For each of the three months ended March 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Revenue	12	4,483,815	10,987,990
Cost of sales and services	13	(564,579)	(4,744,148)
Gross profit		3,919,236	6,243,842
Operating expenses	14	(6,539,771)	(5,208,760)
Other income	15	586,535	25,252
Foreign exchange (loss) gain, net	19	33	(18,469)
Profit (loss) from operations		(2,033,967)	1,041,865
Finance costs	9,17	(1,988)	-
Profit (loss) before income tax		(2,035,955)	1,041,865
Income tax expense	16	-	(542,785)
Profit (loss) for the year		(2,035,955)	499,080
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		(2,035,955)	499,080
Income (loss) per share (basic and diluted)	18	(0.0081)	0.0020

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Changes in Equity
For each of the three months ended March 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share Capital (Note 11)				Share premium (Note 11)	Treasury shares (Note 11)	Deficit	Total equity
	Subscribed		Subscription receivable	Paid-in				
	No. of shares	Amount	Amount	Amount				
Balances at January 1, 2023	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(309,866,596)	21,652,271
Comprehensive loss								
Loss for the year	-	-	-	-	-	-	499,080	499,080
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	499,080	499,080
Balances at March 31, 2023	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(309,367,516)	22,151,351
Balances at Jan 1, 2024	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(298,067,642)	33,451,225
Comprehensive income								
Income for the year	-	-	-	-	-	-	(2,035,955)	(2,035,955)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	(2,035,955)	(2,035,955)
Balances at March 31, 2024	250,059,179	250,059,179	(61,875,000)	188,184,179	143,334,770	(82)	(300,103,597)	31,415,270

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Consolidated Statements of Cash Flows
For each of the three months ended March 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Profit (loss) before income tax		(2,033,967)	1,041,865
Adjustment for:			
Depreciation expense	6	407,465	417,647
Amortization of right-of-use assets	17	210,003	200,385
Unrealized foreign exchange loss (gain)	19	(33)	18,469
Interest expense on lease liability	9, 17	(1,988)	-
Interest income	2	(513,034)	(25,245)
Operating income before changes in assets and liabilities		(1,931,554)	1,653,121
(Increase) decrease in:			
Receivables	3, 9	(69,958)	2,696,530
Real estate held for development and sale	4	(204,762)	2,878,109
Contract asset	10	600,818	(190,270)
Prepayments and other current assets	5	(3,083,631)	(881,472)
Input value-added tax, non-current	5	(61,800)	(59,755)
Other non-current asset	5	320,024	-
(Decrease) increase in:			
Trade payables and other liabilities	8	3,283,636	(733,683)
Contract liabilities	10	2,954,241	92,645
Security deposit and advance rental	17	(1,494,604)	-
Net cash generated from operations		312,410	37,564,718
Interest received	2	513,034	46,984
Income taxes paid	16	-	(592,881)
Net cash generated from operating activities		825,444	4,892,604
Cash flow from investing activities			
Acquisition of short-term investment	2	-	(29,845,257)
Proceeds from short term investments	2	-	19,398,721
Acquisition of property and equipment	6	(13,384)	-
Acquisition of investment property	7	(18,972,344)	-
Advances to contractor		2,518,866	-
Advances made to a related party	9	(9,800,000)	(16,724)
Net cash used in investing activities		(26,266,862)	(10,446,536)
Cash flow from financing activity			
Advances from shareholders	9	-	-
Net increase in cash		(25,441,418)	(5,553,932)
Cash and cash equivalents at January 1		115,910,196	95,296,135
Effect of foreign exchange changes on cash and cash equivalents	19	33	(18,469)
Cash and cash equivalents at March 31	2	90,468,811	89,723,734

The notes on pages 1 to 32 are integral part of these consolidated financial statements.

Jackstones, Inc. and Subsidiary

Notes to the Consolidated Financial Statements

As at March 31, 2024 and December 31, 2023

(All amounts are shown in Philippine Peso, unless otherwise stated)

1 Business information

1.1 General information

Jackstones, Inc. (the "Parent Company") was originally incorporated on April 22, 1964 as Pacific Cement Company, Inc. to engage in the manufacture and trading of cement and related products. In June 2000, the Securities and Exchange Commission (SEC) approved the change in primary purpose of the Company to that of a holding company and changed its corporate name to PACEMCO Holdings, Inc. (PACEMCO). Simultaneous therewith, PACEMCO spun-off its cement manufacturing and mining facility and assets to Pacific Cement Philippines, Inc. (PACEMPHIL), in exchange for 100% of the shares of stock of PACEMPHIL. This investment was subsequently sold in November 2000.

In December 2000, PACEMCO acquired 100% of the share capital of NextStage, Inc., and in June 2001, the SEC approved the merger of PACEMCO and its subsidiary, NextStage, Inc., with PACEMCO as the surviving corporation. Subsequently, the SEC also approved the change in name from PACEMCO to NextStage, Inc.

The Parent Company's shares are listed in the Philippine Stock Exchange (PSE). As a public company, it is covered by Part I Section 2 A (i) (b) of the Revised Securities and Regulation Code (SRC) Rule 68 and also covered by additional requirement under the Revised SRC Rule 68, Part II.

On April 16, 2014, the SEC approved the Parent Company's application to change its corporate name to its present name and the extension of its corporate life for another 50 years immediately after the first 50 years from and after the date of incorporation.

On October 12, 2014, a group of individual and corporate shareholders sold their shares of stock representing 70% of the outstanding share capital of the Parent Company to Ketton Holdings, Inc. and a group of individual investors. The sale effectively transferred control of the Parent Company to Ketton Holdings, Inc., a domestic corporation registered in the Philippine SEC, who became the ultimate controlling party, owning 54% equity interest in the Parent Company.

On March 10, 2017, the Parent Company's BOD, through an amendment of the Parent Company's Articles of Incorporation, approved the increase of the Parent Company's authorized share capital from P170 million divided into 170 million shares with P1 par value per share to P500 million divided into 500 million shares with P1 par value per share. This amendment was approved and ratified by the Parent Company's shareholders during the annual shareholders' meeting on June 13, 2017. The amendment was filed and approved by the SEC on February 7, 2018.

The Parent Company's registered office, which is also its principal place of business is located at 593 Antonio Drive, Bagumbayan, Taguig City.

As at March 31, 2024, the Company has 307 shareholders (2023 - 307) owning at least 100 shares each. Of the total shares outstanding, 20.77% were publicly held as at March 31, 2024 (2023 - 20.77%).

1.2 Subsidiary information

The Parent Company holds 100% ownership in the shares of stock of Jackstones Properties, Inc. (the "Subsidiary" or "JPI"). The Parent Company and its subsidiary are collectively referred to as the "Group".

JPI was incorporated and registered with the Philippine SEC on October 20, 2017 primarily to purchase, acquire, own, hold, use and dispose real property. The registered office address of JPI is located at 593 Antonio Drive, Bagumbayan, Taguig.

1.3 Status of operations

In 2018, JPI purchased a land for future development and sale to start its commercial operations. In 2020, JPI obtained the approval from Housing and Land Use Regulatory Board (HLURB) for the license to sell saleable units in the purchased land. The project has generated income in 2023 and 2022.

In 2021, JPI entered into a Land Management Agreement with its related party, Great Circle Holdings Inc. which generated additional income for the subsidiary during the year (Note 8). In 2022, the agreement was renewed effective up to 2023.

In 2022, JPI entered into another Land Management Agreement with its related party, Bluebell Properties and Holding Corporation to generate additional income for the subsidiary.

The Parent Company is also currently negotiating with various investment groups to raise new capital and is also considering another public offering to raise more funds for its investments and holdings. The Parent Company continues to review projects, ventures, businesses and assets that can be included in the holdings of the Parent Company for which the Parent Company may issue shares in exchange of owning them.

Moreover, the shareholders continue to provide financial support to the Group to enable it to meet its financial obligations when they fall due and carry out its business operations, going forward.

2 Cash and cash equivalents; short-term investments

Cash and cash equivalents

Cash and cash equivalents as at March 31, 2024 and December 31, 2023 consist of:

	2024	2023
Cash on hand	4,000	4,000
Cash in banks	73,373,264	89,494,154
Cash equivalents	17,091,547	26,412,042
	90,468,811	115,910,196

Cash in banks earn interest at the respective bank deposit rate. Cash equivalents represent short-term time deposits with local bank having maturity of less than three (3) months from the date of placement and earning interest ranging from 3.2% to 4% per annum.

As at March 31, 2024, the Group has time deposits with a local bank amounting to 17,091,547 (2023 – 26,412,042) having a maturity of thirty-five (35) days from the date of placement and earning interest of 0.625% per annum (2022 - nil).

Short-term investments

As at March 31, 2024, the Company has short-term investment with a local bank amounting to nil (2023 – nil) having a maturity of 91 days from the date of placement and earning interest of 4% per annum.

Movement of short-term investments were as follows:

	2024	2023
Beginning	-	19,398,721
Acquisition	-	-
Matured during the year	-	(19,398,721)
	-	-

Interest income earned from bank deposits, cash equivalents and short-term investments for the period ended March 31, 2024 amounted to P513,034 (2023 - P4,370,656) (Note 14).

3 Receivables

Receivables as at March 31, 2024 and December 31, 2023 consist of:

	Note	2024	2023
Receivables			
Third party		-	-
Related party	9	135,974	66,016
		135,974	66,016

Third party receivables pertain to amounts due from customers for unit sold in the ordinary course of business. These are generally due for settlement within 120 days and therefore all are classified as current. Trade receivables are fully performing.

The receivables are non-interest bearing, and to be settled in cash. None of the trade receivables of the Group have been pledged as security for credit facilities.

4 Real estate held for development and sale

Real estate held for development and sale represent the construction of Michelia Residences (Note 1), a townhouse project, in which JPI has been granted license to sell by the Housing and Land Use Regulatory Board (HLURB) of the Philippines. In 2024 and 2023, these include real estate held for sale on completed projects.

The movements in real estate held for development and sale for the period ended March 31, 2024 and December 31, 2023 follows:

	Note	2024	2023
Balance at January 1		28,527,470	48,409,188
Additions during the year		204,762	1,934,761
Charged to cost of sales	13	-	(21,816,479)
Balance at December 31		28,732,232	28,527,470

Critical accounting judgment: Provision for losses on real estate held for development and sale

The Group provides for an allowance to write down real estate held for development and sale whenever the net realizable value becomes lower than cost. The allowance account is reviewed periodically.

As at March 31, 2024 and December 31, 2023, the Group has assessed that there is no need to provide any allowance for losses on land held for development and sale.

Critical accounting estimate: Evaluation of net realizable value (NRV) of real estate held for development and sale

The Group adjusts the cost to net realizable value based on its assessment of the recoverability of the real estate held for development and sale. NRV for completed real estate held for development and sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

5 Prepayments and other current assets; Input VAT, non-current

Prepayments and other current assets as at March 31, 2024 and December 31, 2023 consist of:

	2024	2023
Input value-added tax (VAT)	2,085,155	59,225
Creditable withholding taxes	1,765,368	1,614,571
Advances to employees and officer	412,100	395,100
Advances to contractor	-	1,628,963
Others	14,883	14,882
	4,277,506	3,712,741

Advances to a contractor represent advanced payments which are settled through provision of construction services and delivery of materials. The services and materials are expected to be received within 12 months from reporting date.

Advances to employees and officer pertain to cash advances for operating expenses which are expected to be liquidated within 12 months from date of receipt.

Deposits pertain to non-interest-bearing guarantee deposits made by the Group for electricity and water service, which is expected to be collected within 12 months from reporting date.

Input VAT, non-current

The Group presented the input VAT related to the Parent Company amounting to P1,903,342 as at December 31, 2023 (2023 - P1,841,542) as non-current asset since the management assessed that there will be no activities that will generate revenue that are subject to VAT within the next 12 months.

The Group has identified target projects, ventures, businesses and assets that can be included in the holdings and that will generate revenue that are subject to VAT. Management assessed that it is premature to recognize an impairment of the input VAT as management's intention is to apply it against future VAT obligations.

Other non-current assets

As at March 31, 2024, other non-current assets amounting to P7,179,493 consist of advances to contractor amounting to P5,656,353 (2023 – P6,546,257) and deposits made by the Group for electricity and water service amounting to P1,523,140 (2023 - P953,260) which are expected to be utilized or collected beyond 12 months from reporting date.

Critical accounting judgment: Recoverability of input VAT and creditable withholding taxes

In determining the recoverable amount of input VAT and creditable withholding taxes, management considers the probability of future transactions that will be available against which the input VAT and creditable withholding taxes can be utilized, including adequacy of and compliance with the required documentation for anticipated tax audits in case the entities within the Group opted to file for refund with the tax authorities in the future.

Management uses judgment based on the best available facts and circumstances, including but not limited to, the adequacy of documentation, timely filing of application with the tax authority and evaluation of the individual tax credit claim's future recoverability and utilization. As of reporting date, management believes that it will be able to recover these input VAT and creditable withholding taxes on the following basis:

- Input VAT carried in the VAT returns and creditable withholding taxes carried in income tax returns do not expire and can be used against future output VAT obligations and income tax payable, respectively. As disclosed in Note 1, the Group has identified target projects and business ventures that will generate revenues subject to VAT and income tax; and
- The Group has the option to apply for a tax refund on unused input VAT within a period of two (2) years.

6 Property and equipment, net

Property and equipment as at March 31, 2024 and December 31, 2023 consist of:

	Furniture and fixtures	Office equipment	Leasehold improvements	Total
At January 1, 2023				
Cost	114,811	819,495	14,692,134	15,626,440
Accumulated depreciation	(49,613)	(481,404)	(12,657,845)	(13,188,862)
Net carrying value	65,198	338,091	2,034,289	2,437,578
For the year ended December 31, 2023				
Opening net carrying value	65,198	338,091	2,034,289	2,437,578
Additions	10,268	201,232	-	211,500
Depreciation	(22,100)	(160,950)	(1,479,688)	(1,662,738)
Closing net carrying value	53,366	378,373	554,601	986,340
At December 31, 2023				
Cost	125,079	1,020,727	14,692,134	15,837,940
Accumulated depreciation	(71,713)	(642,354)	(14,137,533)	(14,851,600)
Net carrying value	53,366	378,373	554,601	986,340
For the period ended March 31, 2024				
Opening net carrying value	53,366	378,373	554,601	989,120
Additions	-	13,384	-	13,384
Depreciation	(5,430)	(47,459)	(354,576)	(407,465)
Closing net carrying value	47,936	344,298	200,025	592,259
At March 31, 2024				
Cost	125,079	1,034,111	14,692,134	15,851,324
Accumulated depreciation	(77,143)	(689,813)	(14,492,109)	(15,259,065)
Net carrying value	47,936	344,298	200,025	592,259

Depreciation expense charged to profit or loss for the three months ended March 31 are as follows:

	Notes	2024	2023
Cost of sales and services	13	354,576	372,991
Operating expenses	14	52,889	44,656
		407,465	417,647

Critical accounting estimate: Useful lives of property and equipment

The Group determines the estimated useful lives for its property and equipment based on the period over which the assets are expected to be available for use. The Group annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

Management has assessed that the useful lives of property and equipment are appropriate.

Critical accounting judgment: Impairment of property and equipment

The Group likewise reviews the carrying values of property and equipment and assesses them for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management uses judgment based on available facts and circumstances, but not limited to evaluation of the future recoverability of property and equipment, in assessing whether a provision for impairment is required.

Management believes that there are no significant events or changes in circumstances which indicate that the carrying amount may not be recoverable at reporting date.

7 Investment property, net

Investment property, net as at March 31, 2024 amounting to P36,527,393 (2023 - P17,555,049) pertains to an on-going construction of a three-storey building for the purpose of leasing after the completion of the project located at Kanlaon St., Brgy. Sta. Teresita, Quezon City.

The carrying amount of construction in progress as at December 31, 2023 approximates their fair values considering that they represent the costs necessary to construct the properties at current market prices. This is a level 3 fair value measurement, with any changes in the current prices of goods or services necessary to construct the properties directly affecting the fair values of investment properties as at reporting dates.

8 Trade payables and other liabilities

Trade payables and other liabilities as at March 31, 2024 and December 31, 2023 consist of:

	Note	2024	2023
Trade payables		434,085	434,085
Accrued expenses and other liabilities		7,837,284	4,846,453
Due to a related party	9	892,224	890,236
Advances from customers		377,778	377,778
Payable to regulatory agency		701,812	410,995
		10,243,183	6,959,547

Accrued expenses and other payables mainly consist of accruals for security and janitorial services, audit fee and other professional fees to consultants.

Trade payables are non-interest bearing and are normally settled within 30 days.

Advances from customers consist of deposits for utilities to be remitted to Homeowners Association (HOA) once the related property has been turned over to the buyer.

Accrued expenses and other payables mainly consist of accruals for security and janitorial services, audit fee and other professional fees to consultants.

There are neither guarantees nor assets pledged to secure the Group's liabilities at March 31, 2024 and December 31, 2023.

The carrying amounts of trade payables and other liabilities approximate their fair values due to their short-term maturities.

9 Related party transactions and balances

The table below summarizes the Group's transactions and balances with its related parties.

	Transactions			Due from (due to)		Terms and conditions
	Mar 2024	Dec 2023	Dec 2022	Mar 2024	Dec 2023	
Receivables <i>Entity under common control (Note 3)</i>	69,958	66,016	-	135,974	66,016	Receivable from an entity under common control are related to payments made on behalf of Great Circle Holdings Inc. (GCH). These are non-interest bearing, unsecured, collectible in cash and on demand.
Advances to <i>Entity under common control</i>	8,000,000	12,471,964	-	22,271,964	12,471,964	Advances to an entity under common control are related to advances made to Ketton Property Management and Consultancy (KPMC) as the Group's property manager on its investment property under construction. There are no fixed repayment terms and these are non-interest bearing.
	8,069,958	12,538,980	-	22,407,938	12,537,980	
Land management agreement (Lease liability) (Note 17) <i>Entity under common control</i>	840,012	840,012	801,539	(3,232,886)	(3,232,886)	Due to an entity under common control are related to Land Management Agreement with GCH (Note 17). These are non-interest bearing, unsecured and payable in cash.
Interest on lease (Note 17) <i>Entity under common control</i>	1,988	11,785	8,688	(67,463)	(65,475)	This pertains to the interest on lease liabilities as discussed in Note 17.
Contingent rent fees (Note 17) <i>Entity under common control</i>	-	-	824,761	(824,761)	(824,761)	This pertains to contingent fee in relation to the land management agreement with GCH as discussed in Note 17. These are non-interest bearing, unsecured, payable in cash and on demand.
	1,988	11,785	833,449	(892,224)	(890,236)	
Advances from <i>Shareholders</i>	-	-	-	(131,677,769)	(131,677,769)	Advances are extended for working capital requirements which are payable in cash with no fixed repayment date. These are non-interest bearing, unguaranteed and unsecured.
Key management compensation – Salaries and other short-term benefits (Note 14)	1,333,860	5,409,496	5,098,147	-	-	Key management compensation covering salaries and wages and other short-term benefits are determined based on contract of employment and payable in cash every month. The Parent Company has not provided share-based payments, termination benefits or other long-term benefits to its key management personnel for the years ended March 31, 2024, December 31, 2023 and 2022.

In the normal course of the business, the Group receives advances from the shareholders for working capital purposes. The carrying amount of advances from shareholders approximates its fair value due to its short-term maturity. The following related party balances as at March 31, 2024 and December 31, 2023 were eliminated for the purpose of preparing the consolidated statements of financial position:

The following related party balances as at March 31, 2024 and December 31, 2023 were eliminated for the purpose of preparing the consolidated statements of financial position:

	2024	2023
Due from subsidiary	106,435,732	106,435,732
Advances from Parent Company	106,435,732	106,435,732
Investment in subsidiary	3,326,994	3,326,994
Share capital of the subsidiary	3,125,000	3,125,000

There were no related party transactions identified to be eliminated for the purpose of preparing the consolidated statements of total comprehensive income of the Group as at March 31, 2024 and December 31, 2023.

10 Contract assets; contract liabilities

Contract assets

The Group incurs brokers' commission for each contract to sell that was successfully referred by the broker. A portion of the commission is paid upon signing of the contract to sell, and the remaining portion is paid upon issuance of the deed of absolute sale to the buyer.

The amount of brokers' commission paid by the Group is recognized as contract assets. Contract assets will be charged to "commission expense" when revenue recognition is met for each customer contract.

The movements in contract assets for the period ended March 31, 2024 and December 31, 2023 are as follow:

	Note	2024	2023
Beginning of the year		2,265,221	1,586,549
Additions during the year		1,118,195	2,040,051
Charged to expenses during the year	14	(1,719,013)	(1,361,379)
End of the year		1,664,403	2,265,221

Contract liabilities

Contract liabilities consist of customer deposits and advance payments for additional improvement on bare units which have not been completed as at March 31, 2024 and December 31, 2023. A portion of the contract liabilities are refundable if the customers will exercise their right to a refund based on the contract terms and applicable laws in the Philippines. The Group will recognize the revenue as the construction is completed and the collectability of the consideration is certain, which is expected to occur over the next 12 months from the reporting date.

The movements in contract liabilities for the period ended March 31, 2024 and December 31, 2023 are as follows:

	Note	2024	2023
Beginning of the year		7,854,066	8,006,733
Additions during the year		2,954,241	33,881,582
Recognized as revenue during the year	12	-	(34,034,249)
End of the year		10,808,307	7,854,066

Critical accounting judgment: Revenue recognition

At contract inception, the Group evaluates the following criteria before it can apply the revenue recognition model under PFRS 15: a) The parties to the contract have approved the contract and are committed to perform their obligations; b) The entity can identify each party's rights regarding the goods or services to be transferred; c) The entity can identify the payment terms for the goods or services to be transferred; d) The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and e) It is probable that the entity will collect the consideration to which

it will be entitled in exchange for the goods or services that will be transferred to the customer.

If a contract with a customer does not meet the criteria, the Group shall continue to assess the contract to determine whether the criteria are subsequently met. When a contract with a customer does not meet the criteria and the Group receives consideration from the customer, the Group recognizes the consideration received as revenue only when either of the following events has occurred: a) The Group has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the Group and is non-refundable; or b) The contract has been terminated and the consideration received from the customer is non-refundable.

As at March 31, 2024 and December 31, 2023, the Group recognized the consideration received from the customers as contract liabilities and will continue to assess if the revenue recognition criteria are subsequently met.

11 Equity

Share capital, net of treasury shares

Details of share capital as at March 31, 2024 and December 31, 2023 are as follows:

	Note	Shares	Amount
Common shares at P1 par value per share			
Authorized share capital	1	500,000,000	500,000,000
Subscribed and issued			
Share capital issued		167,559,179	167,559,179
Treasury shares		(82)	(82)
Share capital issued and outstanding, net		167,559,097	167,559,097
Partially paid			
Subscribed share capital		82,500,000	82,500,000
Subscription receivable		(61,875,000)	(61,875,000)
Subscribed and paid		20,625,000	20,625,000
Share capital, net		188,184,097	188,184,097

Each common share confers upon a common shareholder: a) the right to vote at any shareholder's meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the BOD may approve. All holders of common shares shall have no pre-emptive rights to acquire new shares (including any common shares, securities convertible or exchangeable into shares, options, warrants or other rights to purchase or subscribe for shares or securities convertible or exchangeable into shares) to be issued by the Parent Company.

The Parent Company's record of registration of its securities under the Securities Regulation Code follows:

Date of approval	February 7, 2018	October 27, 1967
Number of shares registered	330,000,000	170,000,000
Issued/offer price	2.50	2.30

Share premium

In 2013, as part of the Parent Company's equity restructuring and to improve and strengthen the financial condition of the Parent Company without affecting the present ownership, the Board of Directors approved the conversion of the Parent Company's due to related parties, advances from shareholders and deposits for future shares subscriptions aggregating to P112,397,270 to additional paid in capital on April 30, 2013. On the same date, the Parent Company's shareholders approved such conversion into equity (under share premium).

On February 7, 2018, the Parent Company received a subscription payment from stockholders resulting to share premium amounting to P30,937,500.

As at March 31, 2024 and December 31, 2023, share premium amounted to P143,334,770.

Subscription receivable

Details of the subscribed shares and subscription receivable as at March 31, 2024 and December 31, 2023 are as follows:

	Share capital subscribed		Share premium	Total amount
	No. of shares	Amount		
Total subscription	82,500,000	82,500,000	123,750,000	206,250,000
Subscribed and paid, gross of share issuance costs	(20,625,000)	(20,625,000)	(30,937,500)	(51,562,500)
Subscription receivable	61,875,000	61,875,000	92,812,500	154,687,500

12 Revenue

The Group's revenue from contracts with customers for the three months ended March 31 are as follows:

	Note	2024	2023
Sale of real property held for development and sale		-	6,931,206
Rental income	17	4,483,815	4,056,784
		4,483,815	10,987,990

13 Cost of sale and services

Cost of sale and services for three months ended March 31 consist of:

	Notes	2024	2023
Cost of real property held for development and sale	4	-	4,170,772
Cost of services			
Depreciation	6	354,576	372,991
Amortization of right-of-use asset	17	210,003	200,385
		564,579	4,744,148

Cost of real property held for development and sale includes allocated cost of land acquisition, site developmental cost, house construction cost, and other costs attributable to bringing the real estate inventories to its intended condition.

14 Operating expenses

The components of operating expenses for the three months ended March 31 are as follows:

	Notes	2024	2023
Salaries and other employee benefits	9	2,119,462	2,247,289
Professional and consultancy fees		1,324,560	470,844
Commission		1,719,013	316,781
Taxes, licenses and regulatory fees		699,581	1,492,238
Repairs and maintenance		316,541	154,782
Meeting		141,008	88,339
Depreciation	6	52,889	44,656
Transportation		3,872	3,097
Office supplies		4,599	5,126
Miscellaneous		158,246	385,608
		6,539,771	5,208,760

Miscellaneous expense mainly pertains to advertising and promotion, bank charges, representation and web/internet expenses.

15 Other income

The components of other income for the three months ended March 31 are as follows:

	Note	2024	2023
Interest income	2	513,034	25,245
Other income		73,501	7
		586,535	25,252

In 2023 and 2022, other income pertains to scrap sales, forfeited customer reservation fees and developer's incentives.

16 Income tax

On March 26, 2021, RA No. 11534, otherwise known as CREATE, was signed into law. Among the salient provisions of CREATE include reduced Corporate Income Tax (CIT) rate from 30% to 25% effective July 1, 2020 and temporary Minimum Corporate Income Tax (MCIT) rate from 2% to 1% from July 1, 2020 to June 30, 2023.

The components of income tax expense as shown in statements of total comprehensive income for the three months ended March 31 are as follows:

	2024	2023
Current tax expense	-	592,881
Deferred tax (benefit) expense	-	(50,096)
	-	542,785

Deferred income tax assets

The Group has a total deferred income tax (DIT) asset for the year ended March 31, 2024 amounting to P5,286,994 (2023 - P4,889,923), of which P731,210 and 1,659 (2023 - P731,210 and P1,659) related to JPI and Parent, respectively, was recognized. Deferred tax asset of P4,554,125 (2023 - P4,157,054) related to the Parent Company was unrecognized.

Recognized DIT asset

Recognized DIT asset as at March 31, 2024 and December 31, 2023 consist of the tax effect of the following temporary differences:

	2024	2023
<i>Recognized by JPI</i>		
Right of use assets	(87,502)	(87,502)
Lease liabilities	808,222	808,222
Interest payable on lease	10,490	10,490
	731,210	731,210
<i>Recognized by JAS</i>		
Excess of MCIT over RCIT	1,659	1,659
	732,869	732,869

In compliance with the tax regulations, the Group shall pay the greater of MCIT and Regular Corporate Income Tax (RCIT), starting 2021. Any excess of MCIT over the RCIT shall be carried forward for the next three consecutive taxable years immediately following the year such MCIT was paid. The Group paid MCIT amounting to P120,699 which is greater than RCIT. The amount was utilized in 2022.

Details of excess of MCIT over RCIT as at March 31, 2024 and December 31, 2023 follows:

Year incurred	Year of expiration	Amount	Utilized	Balance
2021	2024	120,699	(120,699)	-
2022	2025	1,659	-	1,659

The realization of the future tax benefit related to the deferred tax asset is dependent on the JPI's ability to generate future taxable income.

Management has considered these factors in reaching a conclusion to recognize DIT assets in the statements of financial position at March 31, 2024, December 31, 2023 and 2022.

Movements in the DIT assets for period ended March 31, 2024 and December 31, 2023 are as follows:

	2024	2023	2022
At January 1	732,869	523,927	799,468
Charged to profit or loss	-	208,942	(156,501)
Utilization of MCIT	-	-	(119,040)
At December 31	732,869	732,869	523,927

Unrecognized DIT assets

The Group's unrecognized DIT assets as incurred by the Parent Company as at March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Net operating loss carryover (NOLCO)	4,554,125	4,157,054
Unrealized foreign exchange loss (gain)	8	1,511
	4,554,133	4,158,565

In 2020, pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Parent Company's NOLCO as at March 31, 2024 and December 31, 2023 are as follow:

Year loss was incurred	Year of expiration	2023	Additions during the year	Expired during the year	2024
2020	2025	3,748,706	-	-	3,748,706
2021	2026	5,174,848	-	-	5,174,848
2022	2025	3,955,255	-	-	3,955,255
2023	2026	3,749,406	-	-	3,749,406
2024	2026		1,588,284		1,588,284
		16,628,215	1,588,284	-	18,216,499
Tax rate		25%	25%		25%
		4,157,054	397,071	-	4,554,125

Realization of the future tax benefits related to the DIT asset is dependent on many factors, including the Parent Company's ability to generate taxable income. Management has considered these factors in reaching a conclusion not to recognize the Parent Company's DIT assets in the consolidated statements of financial position.

The reconciliation of income tax computed at the statutory income tax rate to income tax expense as shown in the statement of total comprehensive income for the three months ended March 31 is as follows:

	2024	2023
Income before income tax	2,035,951	15,526,869
Applicable statutory tax rate	25%	25%
Income (loss) before income tax at statutory tax rate	508,988	3,881,717
Adjustments for:		
Interest income subject to final tax	(513,033)	(1,092,664)
Unrecognized tax benefit on NOLCO	397,071	937,351
Unrecognized tax benefit from unrealized foreign exchange loss (gain)	8	1,511
	393,034	3,727,915

Critical accounting judgment: Deferred income taxes

PFRS requires the recognition of deferred income tax (DIT) assets to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Determining the realizability of DIT assets requires the estimation of profits expected to be generated from operations.

17 Lease agreement

Group as the lessee

Land Management Agreement

In 2020, JPI and Great Circle Holdings, Inc. (GCH) entered into a Land Management Agreement granting JPI the right to maintain and utilize the property of GCH situated at 593 San Antonio Drive, Taguig Bagumbayan Industrial Park, Taguig City consisting of land and warehouses for leasing activities to third-parties or its related parties. JPI will receive the entire amount of rental income from third-parties or its related parties' lessees and in turn, pay GCH a 5% consideration, contingent on the rental income received. This is to allow JPI to recoup the costs incurred to improve the warehouses.

The agreement is for a period of two (2) years beginning May 4, 2020 until May 3, 2022, renewable upon mutual agreement of the parties. During 2022, the agreement was renewed for another year. The foregoing agreement qualified as lease under PFRS 16.

In 2022, the Company entered into another Land Management Agreement with its related party, Bluebell Properties and Holding Corporation (BPHC) granting the Company the right to operate the land of BPHC situated at #8 Kanlaon St., Brgy. Maharlika, Quezon City for leasing activities to third-parties or its related parties. The Company is permitted to construct and operate in the land. The Company will receive the entire amount of rental income from third-parties or its related parties' lessees and in turn, pay BPHC a 5% consideration, contingent on the rental income received. As at March 31, 2024, construction of building on this land is on-going (Note 7), hence no rental income has been recognized during the year.

The agreement is for an initial period of eight (8) years beginning January 28, 2022 until January 27, 2030, renewable subject to terms and conditions mutually agreed upon by both parties.

Amounts recognized in the statements of financial position as at March 31, 2024 and December 31, 2023 are as follows:

	Note	2024	2023
Right-of-use asset Beginning of the year		350,006	333,975
Additions during the year		-	840,012
Amortization	13	(210,003)	(823,981)
		140,003	350,006
Lease liability			
Current		3,232,886	3,232,886
Non-current		-	-
		3,232,886	3,232,886

The movement of lease liabilities for the period ended March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Beginning of the year	3,232,886	2,392,874
Additions during the year	-	840,012
	3,232,886	3,232,886

There are no cash outflow for leases for the year ended March 31, 2024 and December 31, 2023.

Amounts recognized in the statements of total comprehensive income for the three months ended March 31 are as follows:

	Notes	2024	2023
Amortization expense on right-of-use asset	13	210,003	200,385
Interest expense on lease liability	9	1,988	-
		211,911	200,385

Discount rate

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Critical accounting estimate: Determination of incremental borrowing rate

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Group uses the government bond yield, adjusted for the (1) credit spread specific to the Group and (2) security using the right-of-use assets.

Critical accounting judgment: Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Future minimum lease payments under lease liabilities and the net present value of the minimum lease payments as at March 31, 2024 and December 31, 2023 follows:

	2024	2023
Not later than 1 year	3,235,693	3,235,693
Later than 1 year but not more than five years	-	-
	3,235,693	3,235,693
Future finance charges	(819)	(2,807)
	3,234,874	3,232,886

The present value of lease liabilities at March 31, 2024 and December 31, 2023 is as follows:

	2024	2023
Not later than 1 year	3,234,874	3,232,886
Later than 1 year but not more than five years	-	-
	3,234,874	3,232,886

Group as the lessor

Lease agreement with a third-party lessee

On May 4, 2020, the Group entered into a contract of lease with a third-party lessee for the property of GCH covered under the Land Management Agreement (Note 8). The lease contract is for a period of two (2) years and one (1) month beginning May 4, 2020 and terminating on June 3, 2022, unless pre-terminated or cancelled in accordance with the lease contract. The contract of lease is renewable for a period of one (1) year upon mutual agreement of the parties. The agreement was renewed for another year from June 4, 2022 to June 3, 2023. During the year, the agreement was renewed for another year from June 4, 2023 to June 3, 2024. An escalation of 2.5% will be effected on the rental amount on the second year of the lease.

The contract requires security deposits equivalent to three (3) months of rental amount or P4,259,623 (2023 - P4,259,623), which is refundable without interest, 90 days after the expiration of the contract or termination without prejudice to the lessor's right to deduct from the said deposit any unpaid amount due and owing to the lessor and to deduct any and all expenses which the lessor may incur as a consequence and/or result of the lessee's use of the leased premises.

The contract also requires advance rental payments equivalent to the last three (3) months of the lease period or P2,989,211 (2023 - P4,483,815). The advance rental shall apply to and be deemed payments for rentals accruing on the last three months of the lease period. As at report date, there is no application of any advance rental payment in consideration of the ongoing negotiation for the renewal of the lease agreement for another year.

For the period ended March 31, 2024, rental income from the lease contract amounted to P4,483,815 (2023 - P17,223,542).

The total estimated future minimum rental income on the lease of property as at March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Not later than 1 year	2,839,747	8,743,438
Later than 1 year but not more than 5 years	-	-
	2,839,747	8,743,438

18 Income (loss) per share

Income (loss) per share (basic and diluted) for the three months ended March 31 was computed as follows:

	2024	2023
Income (loss) for the period	2,035,955	499,080
Weighted average number of outstanding shares	250,059,097	250,059,097
Basic and diluted income (loss) per share	0.0081	0.0020

There were no potential dilutive shares in 2024, 2023, and 2022.

19 Foreign currency denominated monetary asset

The Group's foreign currency denominated asset as at March 31, 2024 and December 31, 2023 are as follows:

As at March 31, 2024

	US Dollar	Exchange rate at March 31, 2024 Peso equivalent	
Cash in bank	10,926	55.57	607,180

As at December 31, 2023

	US Dollar	Exchange rate at December 31 Peso equivalent	
Cash in bank	10,926	55.567	607,100

Foreign exchange (loss) gain for the three months ended March 31 consists of:

	2024	2023	2022
Realized foreign exchange gain	-	-	165,903
Unrealized foreign exchange (loss) gain	33	(6,040)	34,614
	33	(6,040)	200,517

20 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group believes the following represent a summary of these significant estimates, assumptions and judgments and their related impact and associated risks in the consolidated financial statements:

20.1 Critical accounting estimates

- *Evaluation of net realizable value of real estate held for development and sale (Note 4)*
- *Useful lives of property and equipment (Note 6)*
- *Determining incremental borrowing rate (Note 17)*

20.2 Critical judgments in applying the Group's accounting policies

- *Provision for losses on real estate held for development and sale (Note 4)*
- *Recoverability of input VAT and creditable withholding taxes (Note 5)*
- *Impairment of property and equipment (Note 6)*
- *Revenue recognition (Note 10)*
- *Recoverability of DIT assets (Note 16)*
- *Determining lease term (Note 17)*

21 Financial risk and capital management

21.1 Financial risk management

The Group's overall risks management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily with respect to its cash maintained in U.S. Dollar. The Group's financial position and results of operations are affected by the movement in the U.S. Dollar to Philippine Peso exchange rate. Foreign exchange risk arises when recognized assets denominated in a currency that is not the Parent Company's functional currency.

Transactions denominated in foreign currencies and related exchange rates are monitored by management in order to minimize risk based on Group's policies.

The Group's foreign denominated financial assets are presented in Note 19.

Assuming that all other variables remain constant, a movement of the PHP against USD at reporting date would not result to significant foreign currency exchange risk.

The sensitivity rates used in this assessment represent the rates of change between the foreign currency at March 31, 2024 and December 31, 2023 and the foreign currency exchange rates determined 30 days from the reporting period, by which management is expected to realize the Group's financial assets.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Group's business, could result to losses that are different from those provided for at reporting date.

Credit risk arises from cash deposits and short-term investment with banks and financial institutions, as well as credit exposure on receivables. The fair values of these financial assets approximate their net carrying amounts.

The Group has the following financial assets that are subject to credit risks:

Class of financial assets	At gross amounts	Neither past due nor impaired	Past due but not impaired	Overdue and impaired
<i>March 31, 2024</i>				
Cash and cash equivalents*	90,464,811	90,464,811	-	-
Receivables	135,974	135,974	-	-
Deposits	1,523,140	1,523,140	-	-
Total	92,127,925	92,127,925	-	-

*Excluding cash on hand amounting to P4,000

Class of financial assets	At gross amounts	Neither past due nor impaired	Past due but not impaired	Overdue and impaired
<i>December 31, 2023</i>				
Cash and cash equivalents*	115,906,196	115,906,196	-	-
Receivables	66,016	66,016	-	-
Deposits	953,260	953,260	-	-
Total	119,692,908	119,692,908	-	-

*Excluding cash on hand amounting to P4,000

The Group applied the expected credit loss model as follows:

Class of financial assets	At gross amounts	Expected credit losses	Net carrying amount	Internal credit rating	Basis for recognition of expected credit loss (ECL)
<i>March 31, 2024</i>					
Cash and cash equivalents*	90,464,811	-	90,464,811	Performing	12-month ECL
Receivables	135,974	-	135,974	Performing	Simplified approach
Deposits	1,523,140	-	1,523,140	Performing	12-month ECL
Restricted cash	10,000	-	10,000	Performing	12-month ECL
Total	92,137,925	-	92,137,925		

*Excluding cash on hand amounting to P4,000

Class of financial assets	At gross amounts	Expected credit losses	Net carrying amount	Internal credit rating	Basis for recognition of expected credit loss (ECL)
<i>December 31, 2023</i>					
Cash and cash equivalents*	115,906,196	-	115,906,196	Performing	12-month ECL
Receivables	66,016	-	66,016	Performing	Simplified approach
Deposits	953,260	-	953,260	Performing	12-month ECL
Restricted cash	10,000	-	10,000	Performing	12-month ECL
Total	116,935,472	-	116,935,472		

*Excluding cash on hand amounting to P4,000

Cash and cash equivalents, short-term investment and interest receivable

To minimize credit risk exposure from cash and cash equivalents, short-term investment and interest receivable, the Group maintains cash deposits and short-term placements in reputable banks. The Group assesses that cash and cash equivalents, short-term investment and interest receivable have low credit risk considering the bank's external credit ratings.

The Group maintains all of its cash deposits and short-term placements in banks with strong credit ratings to minimize exposure to credit risk. Amounts deposited in these banks as at March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Universal bank	38,994,039	51,588,506
Thrift bank	51,470,772	64,317,690
	90,464,811	115,906,196

The remaining balance of cash and cash equivalents as at March 31, 2024 amounting to P4,000 (2023 - P4,000) represent cash on hand, which is not exposed to significant credit risk (Note 2).

Receivables

The Group trades mainly with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

To measure the expected credit losses, these receivables from customers have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data. The Group has identified the inflation rate and the gross domestic product to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

Credit quality of customers classified as performing are customers and counterparty balances without history of default and assessed to be fully recoverable.

Due from related parties

Due from related parties are collectible on demand and therefore, expected credit losses are based on the assumption that repayment of balances outstanding are demanded at the reporting date. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of related parties, Parent Company has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

Deposits

Deposits are made with various unrated counterparties with no history of default with insignificant credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its operating cash requirements. The Group manages liquidity risk by monitoring expected cash flows and seeks funding from its shareholders to meet its operating commitments.

The Group's financial liabilities as at March 31 2024 and December 31, 2023, which are due and demandable, are as follows:

	Notes	2024	2023
Trade payables and other liabilities	8	10,154,858	6,170,774
Advances from shareholders	9	131,677,769	131,677,769
Security deposits	17	4,259,623	4,259,623
Lease liabilities including future interest	17	3,232,886	3,235,693
		149,325,136	145,343,859

As at March 31, 2024, trade payables and other liabilities presented above exclude amounts payable to BIR amounting to P693,422 (2023 - P410,995) and advances from customers amounting to P377,778

(2022 - P377,778). Liquidity risk is not significant given the limited amount of financial liabilities payable to third parties.

21.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to implement business plans to make the Group profitable in the future.

In order to maintain or adjust the capital structure, the Group may issue new shares. Total capital being managed by the Group as at March 31, 2024 and December 31, 2023 consists of:

	Note	2024	2023
Share capital, net	11	188,184,179	188,184,179
Share premium	11	143,334,770	143,334,770
Treasury shares	11	(82)	(82)
Deficit		(300,103,596)	(298,067,642)
		31,415,271	33,451,225

The Group has identified target projects, ventures, businesses and assets that can be included in the holdings of the Group for which the Group may issue shares in exchange for owning them.

As discussed in Note 1, the Parent Company obtained approval from the SEC on February 7, 2018 for the Parent Company's increase in authorized capital stock amounting to P330,000,000. This enabled the Group to generate further capital infusion from its shareholders to support its business plans.

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE has required listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, to be held by the public.

The Parent Company has complied with the minimum public float as at March 31, 2024 and December 31, 2023.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, 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 Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

These consolidated financial statements have been prepared under the historical cost convention.

The Group is monitored as a single operating segment considering the limited transactions for each of the periods ended March 31, 2024 and December 31, 2023.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 19.

Changes in accounting policies and disclosures

(a) *New and amended standards adopted by the Group*

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

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what 'material accounting policy information' is (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group adopted the amendment and updated the disclosures of material accounting information.

(b) *New standards, amendments and interpretations not yet adopted*

There are no relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2024 that are expected to have a material impact on the Group's financial statements.

22.2 Consolidation

Subsidiary

Subsidiary is an entity (including structured entity) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations that result in the acquisition of a subsidiary by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized is recorded as goodwill. Inter-company transactions, balances and unrealized gains on transactions between the Parent Company and its subsidiary are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Group surrenders control to a related party within the Group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

22.3 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and (b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group did not hold financial assets under category (a) during and as at March 31, 2024 and December 31, 2023.

Recognition and subsequent measurement

The Group recognizes a financial asset in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Regular-way purchases and sales of financial assets are recognized on trade date - the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented within operating expenses in the statement of total comprehensive income.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

General approach

The Group applies the general approach to provide for ECLs on due from related parties. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other gains/(losses).

22.4 Financial liabilities

Classification

The Group classifies its financial liabilities as: (i) financial liabilities at fair value through profit or loss and (ii) other financial liabilities measured at amortized cost. The Group does not have any financial liabilities at fair value through profit or loss.

These are included in current liabilities, except for maturities greater than 12 months after the reporting date or when the Group has an unconditional right to defer settlement for at least 12 months after the reporting date which are classified as non-current liabilities.

Recognition

Other financial liabilities at amortized cost are recognized in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Measurement

The Group's financial liabilities are initially measured at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest rate method.

Derecognition

Financial liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

22.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

The Group did not enter into any legally enforceable master netting agreements or other similar arrangements that would require offsetting of financial assets and liabilities as at December 31, 2023 and 2022.

22.6 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

As at December 31, 2023 and 2022, the Group has no assets and liabilities measured at fair value. The fair value of the financial assets and liabilities carried at amortized cost approximates their carrying value due to their short term maturities.

22.7 Real estate held for development and sale

Real estate held for development and sale is carried at the lower of cost or net realizable value. The cost of real estate under development is determined using the inputs method. Cost includes construction and development costs of the real estate property plus other costs and expenses incurred incidental to the development of the property. Cost is further reduced by any provision for write-down. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make sale.

The excess of cost of real estate under development and sale over the net realizable value is recognized as write-down in profit or loss. Reversals of previously recorded write-downs are credited to profit or loss based on the result of management's update assessment, considering the available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Real estate under development is derecognized when sold or written-off. When real estate under development is sold, the carrying amount of the asset is recognized as an expense in the period in which the related revenue is recognized.

22.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Capital expenditures related to a project which are partially received or incurred are classified as construction in-progress and are stated at historical cost. These are not reclassified to the other property, and equipment accounts and depreciated until such time that the relevant assets are substantially completed and ready for intended use.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives (in years), as follows:

	No. of years
Office equipment	5 years
Furniture and fixture	5 years
Leasehold improvements	5 years or term of lease, whichever is shorter

Leasehold improvements are amortized over the estimated useful lives of the improvements or the anticipated term of the lease, whichever is shorter. Management renews its lease when the term expires.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

22.9 Investment property

Investment property pertaining to building held for long-term rental yields and are not occupied by the Group. Investment properties are carried at cost less accumulated depreciation and any impairment, except for land, which is shown at cost less any impairment. Cost is the fair value of the consideration given to acquire the property, including transaction costs such as legal fees and taxes on the purchase of the property. The cost of a self-constructed asset includes all directly attributable costs required to bring the property to its required working condition. Subsequent expenditure should demonstrably enhance the original asset to qualify for recognition. Transfers to investment property do not result in gains or losses.

Depreciation on investment properties other than land is calculated using the straight-line method over the estimated useful life of 25 years.

Derecognition of an investment property will be triggered by a change in use or by sale or disposal. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset and is recognized in profit or loss.

22.10 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use requires entities to make estimates of future cash flows to be derived from the particular asset, and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risk specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately as other operating income in the statement of total comprehensive income.

22.11 Current and deferred income tax

The income tax expense for the period normally comprises current and deferred tax. Income tax expense is recognized in profit or loss within income tax (expense) credit, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

DIT assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the DIT liability arises from the initial recognition of goodwill.

DIT assets are derecognized when it is utilized or when it is no longer probable that future taxable profit can be utilized from the temporary deductible differences. DIT liabilities are derecognized when the temporary taxable differences have been settled.

The Group reassesses at each reporting date the need to recognize a previously unrecognized DIT asset.

22.12 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets and expenses are recognized. Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using effective interest method. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables and other liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

22.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalized as part of the cost of that asset. Borrowing costs, not directly attributed to a qualifying asset, are recognized and charged to profit or loss in the year in which they are incurred.

Borrowings are derecognized when the obligation is settled, paid or discharged.

22.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required upon settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

22.15 Contingencies

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

22.16 Equity

Share capital

Ordinary shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium

Any amount received by the Group in excess of par value of its shares is credited to share premium which forms part of the non-distributable reserve of the Group and can be used only for purposes specified under corporate legislation.

Subscriptions receivable

Subscriptions receivable pertains to the unpaid subscription price by the shareholder.

Share issuance cost

Share issuance costs incurred for the listing and offering process of the Group are recognized as deduction to share premium in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

Retained earnings (deficit)

Retained earnings (deficit) include current and prior years' results, net of transactions with shareholders and dividends declared, if any.

Appropriated retained earnings pertain to the portion of the accumulated profit from operations which are restricted or reserved for a specific purpose, such as capital expenditures for expansion projects, and approved by the Group's Board of Directors.

Unappropriated retained earnings pertain to the unrestricted portion of the accumulated profit from operations of the Group which are available for dividend declaration.

Treasury shares

Where the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity.

22.17 Earnings per share

Basic earnings (loss) per share is computed by dividing profit (loss) for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. The Group has no dilutive potential ordinary shares during and at the end of each reporting period.

22.18 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Parent Company's BOD.

22.19 Revenue recognition

a) Contract revenues from sale of real estate properties

The Group develops and sells residential units. Under a contract to sell a residential unit, the object is the property itself, which is the normal output of a real estate business. In addition, this contract contains information such as the contracting parties' rights and payment terms, which are essential elements for a valid revenue contract. The contract must be signed by the contracting parties to make it enforceable prior to revenue recognition. The Group assesses the commercial substance of the contract and the probability that it will collect the consideration.

When a contract with a customer does not meet the criteria for revenue recognition and the Group receives consideration from the customer, the Group shall recognize the consideration received as revenue only when either of the following events has occurred:

- a) The entity has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or
- b) The contract has been terminated and the consideration received from the customer is non-refundable.

The Group satisfies its performance obligation as it develops the property. Therefore, revenue is recognized over time, i.e. as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work. Sale of real property held for sale are revenue from contracts with customers recognized at a point in time upon transfer of control to customers. Land and materials delivered on site, which are yet to be installed/attached to the main structure, are excluded from the percentage-of-completion.

For income taxation purposes, income from sale of real estate properties is recognized in full in the year when substantial down payment from the buyer is received following the provisions of the Tax Code. Otherwise, taxable income is based on cash collections under installment method.

b) Contract asset and contract liabilities

Costs incurred as a result of obtaining a contract which are payable upon signing of the contract to sell and deed of absolute sale are capitalized as contract assets considering that this would not have been incurred if the contract had not been obtained. The contract asset is amortized as the related revenue from the contract is recognized.

Contract liabilities presented represent the reservation fees and advance payments for customized improvements that have not yet qualified for revenue recognition. These are classified as current liabilities and will be released to revenue when all criteria for revenue recognition are met.

As a practical expedient, the Group did not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the Group expects to recognize a revenue from the performance obligation in accordance with paragraph 120 of PFRS 15 since the performance obligation is part of a contract that expected to be completed within 12 months from the reporting date.

c) Rental income

Rental income from operating lease is recognized in profit or loss on a straight-line basis over the lease term. Rental income is shown net of value-added tax. Any difference between the rental income determined on a straight-line basis and the actual lease payment is recognized as a rent receivable or unearned rental income as the case may be. These are included in non-current assets or liabilities, except if the remaining lease period is within one year after the reporting period, which are then classified as current assets or liabilities.

22.20 Leases

Group as the lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(a) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for
- leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets that are held for rental are accounted for as investment property. The Group's right-of-use asset consisting of land and building held for rental qualify as investment property.

(c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of service tools and equipment.

Group as the lessor

Leases in which the Group does not transfer substantially all the risks and rights for the leased assets to the lessee are classified as operating lease. Assets leased out under operating leases are included in investment properties in the statements of financial position. Rental income is recognized on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as rental income. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The Group has no finance leases during and at the end of each reporting period.

22.21 Related party relationships and transactions

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

22.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, represented by the Parent Company's Board of Directors who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the primary person that makes strategic decisions.

The Group's operations is managed as a single business segment; consequently, the Group does not prepare a segmental analysis for its consolidated financial statements

Stock Transfer Service Inc.
 JACKSTONES, INC.
 List of Top 20 Stockholders
 As of 12/31/2023

Rank	Name	Holdings	Percentage
1	KETTON HOLDINGS INC.	172,981,927	69.18%
2	PCD NOMINEE CORPORATION	54,627,134	21.85%
3	DAVID T. FERNANDO	20,824,419	08.33%
4	COMPOSITE MARKETING CORP.	999,995	00.40%
5	PCD NOMINEE CORPORATION (NON-FILIPINO)	253,636	00.10%
6	FELIX G. CHUNG	145,895	00.06%
7	LEONEL A. SANTOS	55,274	00.02%
8	MA. PAZ ALCITA GALVAN	9,280	00.00%
9	MARIO B. CORNISTA	7,599	00.00%
10	MARIO YAMBOT	5,300	00.00%
11	SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	4,200	00.00%
12	LYDIA C. SAN JUAN	4,000	00.00%
13	ANTHONY H. STRIKE	3,820	00.00%
14	INOCENCIO R. CORTES	3,284	00.00%
15	RAYMUNDO A. YAP	2,980	00.00%
16	ZENAIDA M. STRIKE	2,820	00.00%
17	CEZAR G. SIRUELO JR.	2,768	00.00%
18	ALFREDO B. ALMONGUERA JR.	2,680	00.00%
19	GRETA T. DE RAMOS	2,160	00.00%
20	JAMES CHIONGBIAN	2,120	00.00%

Total Top 20 Shareholders : 249,941,291 99.95%

Total Issued Shares 250,059,179